

FTF Internal Audit Service

Internal Control Evaluation 2022/23 Report No. A08/23

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EXECUTIVE SUMMARY

1. As Accountable Officers, Chief Executives are responsible for maintaining a sound system of internal control to manage and control all the available resources used in the organisation. This review aims to provide early warning of any significant issues that may affect the Governance Statement.

OBJECTIVE

2. The NHS in Scotland remained on an emergency footing until 30 April 2022. NHS Forth Valley plans to present a refreshed Healthcare Strategy to the NHS Board for approval by the end of May 2023, which should demonstrate how the organisation will deliver services in a post Covid environment and also reflect on the financial and staffing challenges facing the NHS.
3. The NHS Recovery Plan 2021-26, issued in August 2021, set out key headline ambitions and actions to be developed and delivered now and over the next 5 years. The aim of the plan was to drive the recovery of the NHS in Scotland, to beyond pre pandemic levels.
4. The NHS Forth Valley 2022/23 Annual Delivery Plan was submitted on 5 August 2022. Scottish Government (SG) 2022/23 Annual Delivery Planning Guidance, issued in May 2022, indicated that first draft medium term plans would be required by the end of January 2023. However, further guidance issued in November 2022 recognised current system pressures and uncertainty on finances, and asked Boards to roll forward their current 2022-23 plans into Quarter 1 of 2023-24, updating as required as part of normal quarterly reporting. Further Scottish Government (SG) guidance will be issued in February 2023, including articulation of national priorities which will form the basis for the strategic 'commission' for Boards' own plans.
5. The Internal Audit Plan provides cyclical coverage of all key elements of Corporate, Clinical, Staff, Financial and Information Governance. NHS Forth Valley has in place a Risk Management Strategy 2022-2025 and the Strategic Risk Register (SRR) is regularly reported to the NHS Board and to Assurance Committees. We have prioritised our audit work to provide assurance on those areas identified as being at highest risk.
6. Together, the Internal Control Evaluation (ICE) and the year-end review report on the overall systems of internal control, incorporating the findings of any full reviews undertaken during the year. These reviews do not, and cannot, provide the same level of assurance as a full review but do allow an insight into the systems which have not been audited in full, provide early warning of issues and allow a holistic overview of governance within NHS Forth Valley.
7. As part of its published Escalation Improvement Plan, NHS Forth Valley have committed to a full and independent review of the effectiveness of governance arrangements, commencing in February 2023 and therefore this report provides slightly more detail than in previous years.
8. Progress with previous internal audit recommendations from the 2021/22 ICE and Annual Report is reported to the Audit & Risk Committee through the Audit Follow Up (AFU) system. This ICE report highlights those areas where action is ongoing, where actions have not been completed or have not been adequate in remedying control weaknesses.
9. In the ICE we assess the adequacy and effectiveness of internal controls, which should allow remedial actions to be taken before year-end, allowing the annual accounts process to be focused on year-end assurances and confirmation that the required actions have been implemented.
10. This evaluation assessed the design and operation of the controls in place and specifically considered whether:

- Governance arrangements are sufficient, either in design or in execution, to control and direct the organisation to ensure delivery of sound strategic objectives.
11. This review will be a key component of the opinion we provide in our Annual Internal Audit Report and will inform the 2023/24 internal audit planning process.

AUDIT OPINION

12. Ongoing and required developments and recommended actions are included at Section 2.
13. The Annual Internal Audit Report was issued on 9 June 2022 and was informed by detailed review of formal evidence sources including Board, Standing Committee, Executive Leadership Team (ELT), and other papers.
14. As well as identifying key themes, the Annual Internal Audit Report 2021/22 made nine specific recommendations. Three recommendations on reporting compliance with the Staff Governance Standard, creation of an Environmental Sustainability and Climate Change risk and review of the capital funding risk have been fully completed. The status of the outstanding six actions is detailed in Appendix 1 and progress is monitored through the Audit Follow Up (AFU) system.
15. The status of previous ICE and annual report recommendations is summarised at Appendices 1 and 2. Where our ICE fieldwork identified actions that were previously reported as complete, but where the original control weakness was not mitigated as intended, the AFU system has been updated to reflect the current status of these actions and revised timelines have been agreed for all actions.
16. These outstanding issues feature again in this ICE report and, where appropriate, updated recommendations are included. We have built on and consolidated previous recommendations to eliminate duplication and allow refreshed action and completion dates to be agreed. This has culminated in 11 recommendations for which management have agreed action to be progressed by year end.
17. As in previous years, the 2022/23 ICE report will be presented to the Executive Leadership Team (ELT) and to each Assurance Committee so that key findings can be discussed and progress against the recommendations can be monitored.

SPECIAL MEASURES / HIS ESCALATION

18. On the 23 November 2022, the Director General of Health and Social Care and Chief Executive of NHS Scotland escalated NHS Forth Valley to stage 4 of the National Performance Escalation Framework for Governance, Leadership and Culture. Concerns have also been raised in relation to a range of performance-related issues, including concerns around 'GP out-of-hours, unscheduled care, mental health and integration.' Stage 4 escalation brings direct formal oversight and co-ordinated engagement from SG in the form of an Assurance Board, chaired by Christine McLaughlin, Director of Population Health.
19. Following an unannounced inspection visit to Forth Valley Royal Hospital in April 2022, Health Improvement Scotland (HIS) issued a report on 22 June 2022 which made nine recommendations and escalated concerns to SG. NHS Forth Valley submitted an action plan to address these issues. A follow up visit took place on 27 – 28 September 2022 to assess progress and on 5 December 2022 HIS published their 'Unannounced Follow up Inspection Report Acute Hospital Safe Delivery of Care Inspection'. In response to further serious concerns identified from this follow-up inspection and lack of progress with previous recommendations, HIS again escalated concerns about safety and quality of care at Forth Valley Royal Hospital to SG.
20. Whilst acknowledging extreme pressures from increased patient numbers, delayed discharges, high levels of staff absence, occupancy levels reaching 230% within the Emergency Department

and long bed waits at points during the day of the inspection, the published HIS report highlighted concerns on the limited improvements and in some cases deterioration in safe delivery of care at Forth Valley Royal Hospital, as well as issues of culture, leadership and accuracy of staff data.

21. On 31 May 2022, a verbal update on the April unannounced visit was shared by the Medical Director with Board members in closed session. The Medical Director stated that a report of this nature was unprecedented for NHS Forth Valley and expressed concern regarding the high number of requirements identified. At the 26 July 2022 Closed Board session, the Acting Nurse Director provided a verbal update on implementation of the HIS report improvement plan and reported that most of the actions had now been closed. Neither the Staff Governance nor Clinical Governance Committees have considered the June 2022 HIS report findings in detail. It is important that they do so in order to understand the extent to which those Committees will be able to provide assurance at year-end and to identify areas to be considered for inclusion within the Governance Statement.
22. Although, as noted above, Assurance Committees did not monitor the implementation of agreed actions, or consider the consequences for the risks, controls, and quality of assurance under their purview, a written report was presented by the Interim Chief Nurse to the September Clinical Governance Working Group meeting, which provided assurance that most actions were now complete. However, the December 2022 HIS follow-up report stated that only three of the nine agreed actions had been met in full, as well as making an additional 11 new recommendations. A verbal update was provided by the Executive Nurse Director to the Clinical Governance Committee in November 2022 and to Board Members as part of a Board Seminar in December 2022. The HIS report and actions will be reported to the NHS Board at its meeting in January 2023.
23. We have been assured by the Medical Director that more robust testing of the impact and sustainability of implemented actions will now be taken forward. The Risk Management team has been tasked with ensuring that any relevant risks are reviewed and escalated to the Strategic Risk Register (SRR) or recorded as an operational risk.
24. An Oversight Group, Co-Chaired by the Medical and Nurse Directors, has been established to manage action to address the recommendations in the HIS reports. In internal audit A14a/23 - HIS Delivery Plan, Internal Audit will scrutinise improvement activity to address issues raised in the HIS reports, to ensure that actions agreed by the group are sufficient to satisfy the requirements of both HIS inspections.
25. Further detail on NHS Forth Valley's response to the June and December 2022 HIS reports is included in the clinical governance section of this report.

KEY THEMES

26. Detailed findings are shown later in the report. Key themes emerging from this review and other audit work during the year are detailed in the following paragraphs.
27. Audit Scotland previously stated that *"the NHS was not financially sustainable before the pandemic and responding to Covid19 has increased those pressures."* Since then, the overall financial position has deteriorated considerably across the whole of NHSScotland. Previous internal audit reports recorded similar concerns and highlighted the strategic changes required in order to address them. The ongoing impact of UK government budget changes, the pandemic, staffing additional contingency beds (as referred to in the most recent HIS inspection) rising inflation and associated pressure on public pay, substantial rises in waiting lists, difficulties in recruitment, extremely ambitious SG targets across a range of areas and many other challenges have all increased financial risk for NHS Forth Valley, NHSScotland and the public

sector in general, including our Local Authority partners. Locally, the financial impact of staffing additional contingency beds due to capacity and flow challenges continues to have an impact on NHS Forth Valley's finances.

28. In the face of the challenges posed by Covid, maintaining operational performance against mandated targets has been almost impossible to achieve. It is likely that these challenges will continue and that operational improvements including increasing Emergency Department space and acute bed capacity, will feature in the refresh of the Healthcare strategy to ensure all Parties influence the delivery of outcomes and work together to align arrangements to governance arrangements to support integrated service delivery. This refresh will include partners to ensure NHS Forth Valley remains committed to work in partnership with Local Authorities, Integration Joint Boards, independent contractors (primary care), Third sector, academia, and communities/citizens to deliver person centred health and social care services.
29. NHS Forth Valley's governance arrangements are operating within a collaborative system facing severe pressures. As the operating environment has become more difficult, associated risks have increased and therefore existing controls may not have been resilient to respond to substantially different and increased pressures. The NHS Board needs to assure itself that it has sufficient capacity and capability to deliver strategically, whilst demonstrating improved patient care in the short term and addressing the urgent issues highlighted within recent HIS reports. Arising from the Stage 4 escalation referred to above, an independent review of effectiveness of NHS Forth Valley Board governance arrangements led by Professor John Brown will identify opportunities for improvements.
30. NHS Forth Valley will need to maintain a rigorous focus on key issues, ensure governance structures are aligned to these fundamental matters and resist the natural inclination in difficult circumstances to require greater and more detailed scrutiny in favour of targeted, more purposeful governance; which will free Officers to focus on delivery and Board members to focus on the issues of greatest risk.
31. We previously highlighted the risks associated with the National Workforce Strategy for Health and Social Care and the need for realistic plans within NHS Forth Valley. Since then, the NHS Forth Valley Workforce Plan 2022-2025 has been published. Workforce risks remain high across NHSScotland and indeed health sectors all over the world. The current risk and target risk scores for Workforce within NHS Forth Valley will require careful consideration to ensure they reflect local, national, and international pressures and the extent to which these are and can be mitigated locally. The Workforce Plans strategic risk is under review and internal audit will contribute to this review. The risk deep dive will be reported to the Staff Governance Committee (SGC) in March 2023.
32. As reported in the 2021/22 Annual Internal Audit Report, the challenge now is balancing short term risks against longer term risks which can only be mitigated through strategic change. The shape of future strategy will be dependent on a number of dynamic, complex factors.
33. Whilst the SG has set a number of very challenging national objectives, many of which appear to be high risk, NHS Forth Valley must set achievable strategic objectives which can be delivered within its own risk tolerances.
34. A programme of work is ongoing to fully review each of the strategic risks. The 'deep dive' risk reporting to Assurance Committees, which started with a detailed review of the financial sustainability risk and included a deep dive of the Cyber Resilience risk in December 2022, will continue in 2023/24. These reviews are fundamental to ensuring the SRR truly reflects the risks to the organisation and current risks scores. The achievement of target scores by target dates will require constant monitoring to ensure they fully reflect current risk and controls. In particular, target scores must be realistic and achievable within a reasonable timeframe.

35. The Clinical Governance Implementation Plan 2022-2026 is still at draft stage and is expected to be progressed at the start of 2023/24. It is a 3 year plan to build on the existing clinical governance structures and to establish a more robust, unified approach towards clinical governance. Part of this is the requirement to develop a robust clinical governance structure that provides 'floor to board' assurance. We would again reiterate the importance of previous internal audit recommendations to ensure integrated Clinical & Care Governance structures are described, and that there is an appropriate system to ensure all clinical and care governance risks and issues are reported to the Clinical Governance Committee (CGC), and that actions to improve are appropriately monitored.
36. This report contains a number of recommendations that reflect the changes to the risk environment in which the NHS Board operates. There are opportunities now to further enhance governance through the application of assurance mapping principles. Our recommendations are aimed at ensuring coherence between Governance Structures, Performance Management, Risk Management and Assurance.

KEY DEVELOPMENTS SINCE THE ISSUE OF THE ANNUAL REPORT INCLUDED:

- Agreement of a revised timeline as a consequence of system pressures for the refresh of the NHS Forth Valley Healthcare Strategy (May 2023).
- Staff events on culture and compassionate leadership held in June 2022 with outcomes reported to ELT on 5 December and ELT approval of the proposed Culture & Leadership Programme.
- SG approval of the Annual Delivery Plan (ADP) for 2022/23.
- Board approval of the Innovation Plan.
- Programme of ongoing in year review of Code of Corporate Governance (CoCG) to support NHS Board governance requirements.
- Introduction of a cover paper for Assurance Committees in October 2022, featuring levels of assurance. The P&RC and the Staff Governance Committee piloted the use of a Forward Planner to support Committee Work Plans at each meeting. The CGC uses a Forward Planner for agenda planning purposes.
- A rolling programme of enhancements to the Recovery and Performance Scorecard – this has now informed the current Performance Scorecard.
- Reinstatement of the programme of Performance Reviews to support Directorate/Partnership devolved accountability and to ensure that assurance is provided at governance level, and to provide early warning of risks and issues.
- Numerous enhancements to Risk Management arrangements, including ongoing review of the SRR and of operational level risks and initial development of risk appetite.
- A deep dive of the Cyber Resilience risk reported to the December 2022 P&RC and an ongoing programme of risk deep dives, to be reported to Assurance Committees.
- Review of the Urgent and Unscheduled Care risk and development of a new organisational risk linked to it, to address capacity issues in the Emergency Department, and the Clinical Assessment/Acute Assessment Units.
- The Workforce Plan 2022-2025 has been approved and published.
- Approval of the strategic 3-year NHS Forth Valley Workforce Wellbeing Plan 2022 – 2025.
- Approval of the Financial and Capital Plans for 2022/23 to 2026/27.
- Re-establishment of the Cost Improvement Oversight Group.

- Launch of the NHS Forth Valley, University of Stirling and Forth Valley College Partnership.
 - Anchor Board established and met in December 2022 when Terms of Reference were approved.
 - Roll out of eRostering.
 - Ongoing refresh of the Property Asset Management Strategy (PAMS), to align with the refresh of the Healthcare Strategy.
 - Initial steps to implement the structure and governance arrangements required by 'A Policy For NHS Scotland on the Climate Emergency and Sustainable Development - DL (2021) 38'.
 - Initial development of a Clinical Governance Implementation Plan 2022-2026 to reflect the priorities outlined in the NHS Forth Valley Quality Strategy (2021-2026).
 - Development of a Clinical Governance 'Welcome and Induction' pack for Non Executives.
 - Commencement of work to review and revise Information Governance assurance and risk management arrangements.
 - Ongoing development of an Information Governance Risk Policy.
37. Overall, there has been reasonable progress on recommendations from the Annual Report for 2021/22. However, a number of recommendations identified in the 2021/22 ICE were significantly impacted on by Covid and then operational pressures, and continue as work in progress. Where action is still to be concluded, the NHS Board has been informed of the planned approach and timescales, as well as associated improvement plans.

ACTION

38. The action plan has been agreed with management to address the identified weaknesses. A follow-up of implementation of the agreed actions will be undertaken in accordance with the audit reporting protocol.

ACKNOWLEDGEMENT

39. We would like to thank all members of staff for the help and co-operation received during the course of the audit.

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Chief Internal Auditor

CORPORATE GOVERNANCE**Corporate Risks:**

SRR014: Healthcare Strategy: Current score: 15 Target score: 3

If the planned review of the NHS Forth Valley Healthcare Strategy (2016-2021) does not incorporate learning from the Covid19 pandemic and does not align with government policy and / or Integration Authorities Strategic Commissioning Plans there is a risk the Board's vision, corporate objectives and key priorities will be incorrect, resulting in services that are not sustainable in the long term and an inability to deliver transformation.

Strategy

In November 2022, the NHS Board agreed that the NHS Forth Valley Healthcare Strategy would be refreshed by the end of January 2023. Due to significant operational pressures and to reflect revised SG guidance (see below) this has been delayed to end of May 2023, with a planned stakeholder workshop in October 2022 now rescheduled to March 2023. Progress will be reported in internal audit A14/22 – Strategic Planning which was delayed due to difficulties in obtaining the required information.

In acknowledging the immediate pressures within the Forth Valley Health and Social Care system, we are encouraged that the NHS Board remains committed to refreshing their healthcare strategy. Work from the Corporate Management Team (CMT) workshop held in August will inform the future shape of the health care services with reference to funding and workforce which will also contribute to this work. We recommend that the Healthcare Strategy risk is updated to reflect this delay, and that the current and target scores are revisited. In particular, consideration should be given to whether the target score of 3 is achievable, whilst noting the ongoing risk appetite work.

On 14 November 2022, the SG outlined its planning approach for 2023-24 and the intention to have a more co-ordinated and coherent approach to delivery planning across the whole system. This new planning approach will include:

- clear, high level, population based priorities for the NHS as a whole
- goal setting at national level
- continuation of short, medium, and longer term planning by NHS Boards
- a new commissioning approach which will engender greater collaboration to reflect Scotland's population needs as a whole in local, regional, and national plans.

Further SG guidance will be issued in February 2023, including articulation of national priorities which will form the basis for the strategic 'commission' for Boards' own plans. The extent to which these national priorities will be achievable within the constraints under which NHS Forth Valley operates and also the extent to which they match identified local population needs, will not become clear until then.

Governance and Assurance Risks and Developments

In September 2022, the NHS Board approved an updated Code of Corporate Governance (CoCG), including a Code of Conduct. This reflected corporate objectives approved in March 2022 and revised NHS Board and Assurance Committee membership approved by NHS Board in July 2022.

The Code of Conduct is published on the NHS Forth Valley website, alongside the Register of Interests. The Code was developed in line with the nine key principles of public life in Scotland and sets out the conduct expected of those who serve on the Board.

The use of NHS Board and Assurance Committee standard cover papers, including levels of assurance, (to be introduced for Board papers when the system is embedded) was launched at the 7 June 2022 Board Seminar. The NHS Board Chair led a session in September 2022 attended by Assurance Committee Chairs, Vice Chairs and Committee support officers, where it was agreed that the new template would be rolled out for one round of Assurance Committee meetings, with feedback sought on the changes. The template was implemented in October 2022 and continues to be used; however the assurance level has been reviewed and will be presented to ELT in January for consideration/approval.

The Chief Executive last reported to the NHS Board specifically on progress against the Governance Blueprint on 25 January 2022, with further updates provided as part of the Emergency Department (ED) Improvement Plan. The revised Blueprint has been published and a planned update is scheduled to be presented to the NHS Board in January 2023.

NHS Board Development Sessions have covered a diverse range of topics including assurance, the Innovation Plan, Integration, Unscheduled Care including Out of Hours, and the Code of Conduct. A Risk Management focussed session to consider risk appetite will be held in February 2023. In this report we have recommended that the outputs and any actions from these sessions are formally recorded and monitored by the Board. In addition, the P&RC has covered a number of 'deep dives' into service specific areas including cancer, urgent and unscheduled care, and mental health.

On 23 November 2022, NHS Forth Valley was escalated to Stage 4 of the NHS Scotland Performance Escalation Framework for concerns relating to Governance, Leadership and Culture. Stage 4 Escalation brings direct formal oversight and coordinated engagement from SG through the Assurance Board and the independent review of effectiveness of NHS Forth Valley Board governance which will identify opportunities for further improvements.

Committee Assurance

The use of a standard Forward Planner was developed using the CGC template and was piloted for use by the P&RC in summer 2022, and is now considered at every P&RC meeting. There is variance in the use of Forward Planners by Assurance Committees. For example, the Clinical Governance Committee presents the Forward Planner annually and it aligns with their Annual Report, the Staff Governance Committee refers to the Planner at every meeting. Action Point 2 recommends that a standard approach be introduced for all Assurance Committees.

The 2021/22 Annual Internal Audit Report emphasised the importance of ensuring that key issues and risks are escalated and feed through to year end assurance processes, and that all issues from external reports are included in committee agendas and reflected in annual reports. From our review of reporting to Assurance Committees and Committee Update Reports to the NHS Board, escalation of risks and issues could be improved, with clearer reporting of risks and required performance improvements.

Internal Audit will continue to promote the use of the assurance principles through its leadership of the Assurance Mapping Group, Risk Management work and through individual internal audits. To further embed positive and purposeful governance, we recommend that the Committee Assurance Principles are reviewed and endorsed by the Audit & Risk Committee.

The Corporate Risk Manager is developing a high level plan for a Board Assurance Framework Strategy, with the aim of co-ordinating activity around both risk and performance to provide assurance on current performance and on future direction.

Policies

A full review of the Policies and Procedures Framework is ongoing. The Clinical Policies Group is operational and a Non Clinical Policies Group is being established. While there is a greater risk

associated with clinical policies, we would expect to see a robust system for update of non-clinical policies in place by end of March 2023, as agreed in our 2021/22 annual report.

Culture and Values

As part of ongoing strategic planning work, staff events on culture and compassionate leadership took place in June 2022. Outcomes were reported to ELT on 5 December and the ELT has approved the proposed Culture & Leadership Programme.

We have seen examples of the NHS Board and its officers promulgating cultural values as evidenced through:

- Reporting to Board and Assurance Committees on the external review of the ED, with a focus on pressures impacting on staff including supporting confidentiality, staff wellbeing, patient safety and culture.
- Immediate stand up of Sturrock meetings from July 2022.
- An update to the 26 July 2022 Board on progress with delivery of the Equality & Inclusion Strategy “Everyone Means Everyone” 2021-25, including learning from Covid and changes implemented to aspects of service delivery as a result.
- Approval of the strategic 3-year NHS Forth Valley Workforce Wellbeing Plan 2022 – 2025 in July 2022.
- Implementation of iMatter Action Planning (highest Action Planning rate amongst Territorial Board).
- ED Working Group to determine impact of Board investment in staff development etc.
- Commitment to Compassionate Leadership events aligned with staff wellbeing.
- Review of staff awards led by the Area Partnership Forum and Area Clinical Forum Chairs.

There is merit in all the work to embed a healthy and challenging but fair culture, particularly when services are under pressure, and there is always scope to ensure Committee and NHS Board papers reflect and promote these values and assess whether the desired culture is in place. As noted above, both HIS reports highlighted issues around leadership and culture on the Acute site, which have not yet been considered by the SGC.

Operational Planning

The ADP 2022-23 is in line with SG guidance and was presented to the NHS Board on 29 November 2022, following submission to the SG on 5 August 2022.

The Innovation Plan was approved by the NHS Board in July 2022, to help strengthen conditions for transforming the health and wellbeing of the population and workforce.

The Chief Executive presented papers on ‘Preparing for Winter and Developing Future Sustainable Services’ to the NHS Board in September with an update to the P&RC in October, and then a further update to the NHS Board on 29 November 2022. This paper built on actions taken to address pressures in primary care, including Out of Hours, challenges within the HSCPs and capacity issues at Forth Valley Royal Hospital. The ‘Preparing for Winter Progress Update’ presented to the 25 October 2022 P&RC covered work related to redesign of Urgent Care and Urgent Care Assessment, including triage redesign, discharge without delay and improving capacity. The NHS Board requested a dedicated OOH update to incorporate the feedback from the Sir Lewis Ritchie OOH review and this was reported to the P&RC in December 2022.

Performance

SG feedback from the NHS Forth Valley Annual Review 2020/21 was reported to the Board in July 2022. The 'Forward Look' section recognised the sustained pressures within the system and highlighted the steps taken in terms of wellbeing and resilience of local staff. Increased activity was noted, as was the continuing challenging Accident & Emergency performance and data quality issues as a result of the Trakcare upgrade affecting Mental Health Services.

The Recovery & Performance Scorecard reports Key Performance Measures including the eight key standards that are most important to patients. Following a period of remobilisation, the focus remains on recovery as the Board works to stabilise and improve. The scorecard has been reviewed and updated to reflect this and was presented to the December 2022 P&RC as the Performance Scorecard. The risk assessment section of the cover paper clearly links to relevant strategic risks and narrative is provided to explain key performance issues, although actions to address poor performance, and the success of otherwise of these actions, is not always clear within the narrative. The Scorecard is complemented by presentations to P&RC on action to address specific performance issues. While covering all mandatory performance targets, the Performance Scorecard should focus on the areas of highest risk, particularly Urgent and Unscheduled Care.

Post Covid19, Directorate and Partnership Performance Reviews have been reinstated with the first reviews piloted in December 2022 in Women & Children's, Specialist Mental Health and Learning Disability Services Directorate. An Acute Services Directorate Performance Review is also planned for early 2023. These pilots will inform the rollout scheduled thereafter and during 2023.

In common with much of NHSScotland, performance against most key targets has deteriorated throughout the year. Figures for end March and those reported to the December 2022 P&RC against key national and adjusted local targets are shown below:

Target	Target Performance	March 2022 Performance	November 2022 Performance	Scotland Position	Direction of travel
Treatment Time Guarantee (TTG)	100%	60.5% Quarter ending March 2022	49.8% Quarter ending September 2022	56.3% Quarter ending September 2022	↓
Unscheduled Care					
4 hour ED target (incl. MIU)	95%	68.4%	61.5%	67.5%	↓
Scheduled Care – activity against trajectory agreed with Scottish Government (Financial YTD)					
Outpatient appointments	100%	97% Full year position	88%	N/A	↓
Cancer Targets					
31 days	95%	99.1%	94.5% October 2022	94.3% October 2022	↓
62 days	95%	71.2%	71.6% October 2022	70% October 2022	↑

Diagnostics - activity against trajectory agreed with Scottish Government (Financial YTD)					
Imaging	100%	105% Full year position	119%	N/A	↑
Endoscopy	100%	109% Full year position	114%	N/A	↑
Psychological Therapies					
18-week RTT standard (quarterly)	90%	69.2% Quarter ending March 2022	59.7% Quarter ending September 2022	80.7% Quarter ending September 2022	↓
CAMHS					
18-week RTT standard (quarterly)	90%	67.2% Quarter ending March 2022	31.6% Quarter ending September 2022	67.9% Quarter ending September 2022	↓

Urgent and Unscheduled Care

Following internal audit recommendations and as reported to the November 2022 CGC, the Unscheduled Care risk has been significantly revised to reflect the ongoing pressures in the system. It will be presented to Board in January 2023 and has been renamed as “Urgent and Unscheduled Care” and described as “If NHS FV does not take immediate steps to create capacity, and address whole system pressures through delivery of the Urgent and Unscheduled Care programme in the longer term, there is a risk that we will be unable to deliver safe levels of unscheduled care, resulting in potential for patient harm”. Long-term controls are reflected, as well as controls required to address the immediate pressures and upcoming winter pressures. Further commentary on this risk is included in the clinical governance section of this report.

To provide assurance on the measures in place and actions being taken to manage this risk, the NHS Board (in Closed Session) and P&RC have received various presentations and updates from the Chief Executive and Medical Director.

On 30 August 2022, the Medical Director and other officers presented to P&RC, but not to the CGC (See Clinical Governance below), on patient harm associated with Emergency Department (ED) waits. Forth Valley’s new strategic response, winter planning and operational management were covered, with a focus on two key pieces of work, firstly the redesign of triage within ED, and secondly work to maximise the potential of the Rapid Assessment & Care Unit. The impact of actions and improvements already delivered was also reported.

At the same meeting the P&RC received a presentation on capacity and winter preparedness, which highlighted the risks of patient harm, staff experience, service disruption, financial consequences, and reputational risk. The Director of Finance provided an update on the financial pressures in relation to capacity issues, in particular the workforce issues. Immediate actions (3 months), short / medium term actions (6 months) and 6 to 12 months were identified. The P&RC asked the Chief Executive and the Executive Team to consider all possible mitigations, including opening beds on

redundant NHS estate. The Medical Director presented a further report on Winter and Unscheduled Care to the December 2022 P&RC, which described the impact of actions/measures to improve capacity.

Internal audit A30/22 – Organisational Response to ED External Review provided Reasonable Assurance and validated the action plan developed by NHS Forth Valley to address the issues highlighted. The Chief Executive recommended governance responsibility for monitoring actions to address the findings of the ED external review be transferred to relevant Assurance Committees in January 2022, and the committees all assumed their delegated responsibilities between the end of February 2022 and April 2022. Management have informed us that a similar approach was not taken for the monitoring of actions arising from the June 2022 HIS report (ibid) because assessments were provided regularly to ELT.

Phase 2 of our ED external review audit will assess whether action taken has been effective in achieving intended improvements, both in the ED department and organisation wide were relevant.

Risk Management

The NHS Forth Valley Risk Management Strategy was approved by the Audit & Risk Committee on 22 June and by the NHS Board on 26 July 2022.

The SRR continues to be presented to the NHS Board quarterly. As at 29 November 2022, there were 12 strategic risks, two of which were 'Very high' and five of which were 'High'. Strategic risks aligned to Assurance Committees are reported at each meeting.

Consultation with ELT on risk appetite is complete and the Risk Management team are continuing with 'proof of concept' at directorate and Partnership level. Risk appetite will be discussed at a NHS Board Seminar in February 2023 before presentation to Audit & Risk Committee and to the NHS Board for final approval in March 2023.

There will be serious challenges in achieving the target appetite for many strategic risks, reflecting the vulnerability to external constraints, and it is crucial that tolerances are established, with associated enhanced scrutiny, in addition to the longer term targets to be derived from Risk Appetite. Our review of the SRR concluded that current target risks are extremely unlikely to be achievable in the current environment, and we would recommend that any risk appetite statements must take account of the external risk environment and the NHS Board's ability to respond effectively to it. At present, the inherent risk appetite as expressed through target risks, does not match the reality of the environment in which NHS Forth Valley operates, in order to allow organisational resources, focus and will to be prioritised and directed effectively.

The NHS Board agreed to archive SRR 012 - Covid19 at their 27 July 2022 meeting as Covid is now captured throughout the SRR and should be managed as part of business as usual.

A deep dive of the Cyber Resilience risk has been completed with input from responsible Directors and officers in conjunction with the Risk Management Team. The planned programme of risk deep dive reporting to Assurance Committees, taking forward the approach first used on the Financial Risk to the P&RC in December 2021 is ongoing as part of the Board's commitment to continuous improvement. Work to select criteria and prioritise risks for deep dive reporting in 2023/24 is ongoing, to ensure maximum value is obtained.

The Risk Management team is also progressing:

- Revision of the Workforce strategic risk in December / January and development of the Human Resources risk register. The Corporate Risk Manager has informed Internal Audit that the Workforce Plan will now be used as a starting point to ensure that all areas are adequately documenting their workforce risks.
- Planned review of the Scheduled Care risk as previously recommended by Internal Audit.

- Working with the Acute Directorate Senior Leadership Team to explore scheduled care service/operational level risks.
- A review of the organisational risks recorded on the Safeguard system to ensure appropriateness. Risk Champions in Directorates and Partnerships continue to be identified to assist in the review and update of Safeguard risks.
- Supporting the Woman and Children's directorate in preparation for their upcoming performance assurance review.
- Ongoing work to embed risk management in Primary Care and development of risks in Medicine and Facilities, and risk reporting for Allied Health Professions.
- A session planned for January 2023 to identify Public Health risks.
- Corporate support and planned work to develop the operational risk structure for Health & Social Care Partnerships (HSCPs). The Clackmannanshire & Stirling IJB Risk Forum was to be stood up again in December 2022 and regular risk management meetings with Falkirk IJB continue, with ongoing work to agree review of the risk register and to develop a schedule for Deep Dives.
- Developments in Pentana to determine how assurance information, as well as risks, can be captured and reported on.
- Completion of work on the risk management intranet site.

Internal Audit

Internal Audit now has responsibility for management of the AFU system and the first report by Internal Audit was presented to the October 2022 Audit & Risk Committee meeting. The AFU update to the January 2023 Audit and Risk Committee reported that 28 recommendations remained in progress and extended dates were agreed for all of these.

The single largest explanation provided by Responsible Officers for actions not having been completed was pressures within the system. Therefore, the AFU report could provide only Limited Assurance and we will be discussing with Officers the importance of addressing control weaknesses promptly, particularly when systems are at increased risk, but also of setting and meeting realistic timescales.

While Officers have continued to engage positively with Internal Audit despite the ongoing pressures, we have experienced some delays in progressing audits due to difficulties in receiving required information and agreement to commence our work. This has impacted on delivery of the 2022/23 Internal Audit Plan to date, with delays in delivery of the audits on Strategic Planning, Workforce Planning and Financial Sustainability. The pressures in the system are clear and may also explain delays in full completion of recommendations from previous Annual and ICE Reports.

Resilience

Internal audit A15/21 – Resilience Planning, issued in January 2022, provided Limited Assurance on NHS Forth Valley's Business Continuity Planning (BCP) systems and processes. The Emergency Planning and Resilience Annual Report 2021-22 presented to the 30 August 2022 P&RC referenced the significant improvement required on business continuity development and assurance as reported by Internal Audit. The report stated that this will be a priority in 2022/23 and the ELT received a report in October 2022 requesting approval to fund additional staff to progress and support the recommendations working with departments to ensure robust business continuity planning.

An internal audit of Falkirk IJB 'Resilience and Business Continuity Arrangements as a Category 1 Responder' was issued in September 2022 and also provided Limited Assurance. We highlighted that during the course of the Covid19 pandemic, Falkirk IJB and partner organisations had demonstrated a fast and effective response to emerging challenges. However, arrangements were not in place to

obtain assurance on the adequacy of Business Continuity Plans (BCPs) from partner organisations, including NHS Forth Valley and Falkirk Council. Although preparation of the majority of BCPs will be the responsibility of the partners, the IJB has not carried out a gap analysis to determine what BCPs it requires in its own right.

Integration

Our 2021/22 Annual Internal Audit Report contained an agreed recommendation to work directly with the Chief Officers to agree two in year IJB updates to the NHS Board. The ELT has been provided with regular updates on the Integration Action Plan and on 29 November 2022 the Chief Executive updated the Board on this Action Plan. In addition, the NHS Board as part of its regular Seminar sessions held a focused integration event. Annual 2021/22 performance reports from the IJBs were presented to the NHS Board on 29 November 2022.

The September 2022 paper on the Integration Improvement Action Plan set out arrangements for transferring pan Forth Valley operational management of services, staff and budgets to the Clackmannanshire & Stirling and Falkirk HSCPs. A joint paper was also presented to both IJBs from the Chief Officers and the NHS Chief Executive, and described significant progress and a joint approach to appropriate governance processes. This will clarify management responsibilities for these services and supports a shared vision and direction for the leadership teams whilst supporting the ongoing delivery of change.

Work with partners to finalise a decision-making matrix which will provide a governance framework across the NHS Board and IJBs, aligned to the Scheme of Delegation, is now complete.

The Chief Officers also presented the IJB Annual Performance Reports 2021/22 to the November NHS Board. We would expect that future reports from Chief Officers will provide assurance on how and whether joint working arrangements are addressing the key strategic issues facing the NHS Board, most notably delayed discharge and non-elective activity.

IJB minutes have not been provided to the NHS Board throughout the year to date and this has not been addressed although previously recommended by Internal Audit. There has been no direct reporting by Chief Officers on completion on the MSG Action Plans. Reviews of the Integration Schemes for Clackmannanshire & Stirling and Falkirk IJBs have again been paused due to continuing pressures and are due to be revisited and completed in 2023/24.

Action Point Reference 1 – Strategy & Financial Sustainability

Finding:

Our Annual Internal Audit Report recommended that actions to ensure that *‘Board and ELT should ensure that financial sustainability is given appropriate priority in all decisions, recognising that money spent now will not be available for future needs.’* Whilst the agreed action has been taken, financial pressures have increased even further than anticipated and there is a need for even greater focus on financial sustainability and it is clear that operational measures on their own will not be sufficient and will only buy time to allow the more fundamental strategic change required.

The refreshed Healthcare Strategy will provide the strategic direction that will set out a programme of transformation building on the current sustainability and value programme underway along with the planned changes in response to SG priorities. Without radical change, the prospects of NHS Forth Valley delivering the savings required would appear to be extremely limited.

We acknowledge the pressures within the Forth Valley Health and Social Care system and we would reiterate that refresh of a realistic, achievable strategy must remain a key priority to ensure sustainability of healthcare in the longer term.

Audit Recommendation:

Forth Valley NHS Board should collectively consider how they ensure that the extremely challenging financial environment is reflected in, and the need for financial sustainability underpins, all decisions taken by the NHS Board and by Officers.

In particular, it should direct Officers to ensure that financial sustainability is given appropriate priority within the new Healthcare Strategy and that there is absolute clarity over the extent to which the strategy will deliver recurrent savings of the magnitude required.

The Healthcare Strategy risk should be updated to reflect all known potential barriers to delivery. The current and target scores should be revisited with a particular focus on the target risk of 3.

Assessment of Risk:

Significant



Weaknesses in design or implementation of key controls i.e. those which individually reduce the risk scores.

Requires action to avoid exposure to significant risks to achieving the objectives for area under review.

Management Response/Action:

The strategic direction of the Board is revisited annually within a context of ‘planning for the future’; this is evidenced in through our approved corporate objectives. Work to refresh our Healthcare Strategy is underway and our August CMT time out session focused on long term transformation and commitments. Engaging with stakeholders is vital and the follow up to this event was paused due to significant operational including workforce pressures – this event is scheduled to take place in March to ensure good engagement. The refreshed Healthcare Strategy whilst setting strategic direction will align clinical, financial and workforce plans and commitments.

Delivering the level of recurrent savings required to sustain financial balance in the current operational environment is extremely challenging and will require a whole system strategic

approach to maximise efficiencies and manage costs within available resources.

Financial sustainability will be given appropriate priority within the Healthcare Strategy, aligned to the requirements identified in the 3-year financial plan which will be presented for NHS Board approval in March 2023.

The Healthcare Strategy risk will be revisited to keep pace with the changing financial environment and associated mitigations and system and service changes required.

Action by:	Date of expected completion:
CEO supported by the Head of Planning and Head of Policy and Performance	May 2023

FINAL REPORT

Action Point Reference 2 – Assurance Principles

Finding:

While assurance reporting has been enhanced, there is still room for improvement in the escalation of risks and issues in papers presented to Assurance Committees.

- Committee Update reports from Assurance Committees to the NHS Board frequently summarise the business considered but do not focus on decisions, outcomes, risks for escalation and any areas of poor performance and do not always give readers a quick, comprehensive summary of the key issues. No Committee Update report was presented for the May 2022 meeting of the Staff Governance Committee.
- Assurance Committee papers should clearly state if it is likely objectives will be achieved and set out risks to achievement of objectives.
- Forward Planners are used by Assurance Committees with the exception of Audit & Risk Committee and for those that do use them, there is no standard format.

Audit Recommendation:

To further embed positive and purposeful governance, we recommend that the Committee Assurance Principles are reviewed and endorsed by the Audit & Risk Committee.

- Committee updates to the NHS Board should provide a comprehensive summary of the key issues and risks and conclude on whether internal controls intended to mitigate the risk are working as intended and are effective, supported by performance reporting. These reports should have a focus on decisions, outcomes, risks for escalation and any areas of poor performance.
- At the start of the year, Assurance Committees should determine their assurance requirements, together with how these will be met, using assurance mapping principles. This should be set out in the recommended standard format Forward Planner.
- A standard Forward Planner format should be adopted for all Assurance Committees and progress against it reviewed at each meeting with the significance of any major omissions recorded.
- The agenda planning process should ensure assurance papers clearly state the risk(s) on which they provide assurance, describe whether controls are effective and convey that risks are being managed in the best possible way. Reports should clearly state the level assurance provided, with evidence, which should be formally confirmed by the Standing Committee/Board.
- As previously reported, all annual reports from sub-committees or annual reports for assurance should be scheduled for consideration before the Assurance Committee considers their annual report and should include the elements described in the Committee Assurance principles. In particular, they should focus on any areas of non-compliance, risk, and areas where performance needs to improve.

Assessment of Risk:

Moderate



Weaknesses in design or implementation of controls which contribute to risk mitigation.

Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.

Management Response/Action:	
The Board paper template is also being implemented across all Committees and further enhances the key issues and risks being addressed. A meeting involving Committee Chairs and Executive Leads led by the Chair set out a very clear expectation of the enhancements in papers to the NHS Board and Committees and timescale for implementation.	
Action by:	Date of expected completion:
Head of Policy & Performance	April 2023

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Action Point Reference 3 – Governance Enhancements

Finding:

Building on previous internal audit recommendations, we have identified that:

- NHS Board and Assurance Committee minutes do not always clearly evidence scrutiny and discussion, and some committees frequently use verbal updates, which do not allow members to consider data and assurances in advance, particularly the Clinical Governance Working Group.
- Action Points Updates are not used by the NHS Board, Audit & Risk Committee and SGC, which use 'Matters Arising'. This can lead to important actions not being followed up at the next meeting, or to incomplete actions dropping off after one meeting.
- The SGC does not require members to declare relevant interests as a standing agenda item.
- There are currently no documented outputs or action plans arising from NHS Board seminars.

Audit Recommendation:

We recommend the following enhancements:

- Minutes should reflect the discussion and clearly reflect any decisions or recommendations, as well as the level of assurance agreed by the committee.
- To ensure all agreed actions are progressed and monitored 'Action Points Updates' should be used for NHS Board and Assurance Committees rather than 'Matters arising from the minutes'.
- Declaration of Interests should be a Standing Agenda item for all NHS Board and Assurance Committees.
- Outcomes/action plans from NHS Board seminars should be documented to demonstrate added value and to evidence any decisions taken.

Assessment of Risk:

Moderate



Weaknesses in design or implementation of controls which contribute to risk mitigation.

Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.

Management Response/Action:

The Audit recommendations are accepted and will be implemented in full.

Action by:

Date of expected completion:

Head of Policy & Performance

April 2023

Action Point Reference 4 – Effective Governance Culture

Finding:

In an environment where several mandated targets are not being met and patient safety and performance issues have been highlighted in external reports, the focus should be on realistic, challenging targets that are achievable within available resources.

Audit Recommendation:

All reports to NHS Board and Assurance Committees should provide a description of action taken to address key issues, an explanation if actions to address key issues were not successful and the remedial action that needs to be taken to achieve success, along with associated resource implications.

The Board and Assurance Committees should have collective clarity on governance, culture and principles that are acceptable to them and action should be taken to ensure that the following principles are overtly evident in all aspects of business, many of which are in place at present but should be formally acknowledged:

- Clear expectations of acceptable progress and delivery, tempered with an understanding of risks and acknowledgement that risks may crystallise.
- Communication of a positive message that officers are empowered to take informed, calculated risks to achieve delivery, and this will be supported by the NHS Board.
- An expectation that officers will notify and address poor performance in a timely way
- A clear communication that in circumstances where officers are aware of a fundamental problem and fail to escalate the issue and take necessary action, this is unacceptable
- A collective understanding from members that NHS Forth Valley must ensure that targets are meaningful and realistic and then that all possible actions are being taken to meet them.

Assessment of Risk:

Significant



Weaknesses in design or implementation of key controls i.e. those which individually reduce the risk scores.
Requires action to avoid exposure to significant risks to achieving the objectives for area under review.

Management Response/Action:

The ethos will be built into the Board's ongoing response to the planned review of governance arrangements

Action by:

Date of expected completion:

Head of Policy & Performance

July 2023

CLINICAL GOVERNANCE

Corporate Risks:

SRR002 – Unscheduled Care: Current Score 25, Target score 9

If NHS FV fails to deliver on the 6 Essential Actions Improvement Programme there is a risk we will be unable to deliver and maintain appropriate levels of unscheduled care, resulting in service sustainability issues and poor patient experience (including the 4 hour access standard).

SRR004 – Scheduled Care: Current Score 20 Target score 9

If there are delays in delivery of scheduled care there is a risk that NHS FV will be unable to meet its obligations to deliver the National Waiting Times Plan targets, resulting in poor patient experience and outcomes.

SRR016 – Out of Hours Service (OOHS): Current Score 20 Target score 9

If NHS FV is unable to provide fully staffed and functioning OOHS, there is a risk of instability within the service leading to an inability to provide robust and timely care to patients.

Clinical Governance Framework

Work to implement the Quality Strategy 2021-2026 was delayed by Covid19. Progress on the Implementation Plan to develop the Clinical Governance Framework, as detailed within the Quality Strategy, was presented to the September 2022 Clinical Governance Working Group (CGWG) and will be presented to the CGC in February 2023. The Implementation Plan is still at draft stage and is expected to be progressed at the start of 2023/24. This is a 3 year plan to build on the existing clinical governance structures and to establish a robust, unified approach towards clinical governance. Part of this is the requirement to develop a robust clinical governance structure that provides 'floor to board' assurance.

Internal Audit have previously made several recommendations on ensuring integrated Clinical & Care Governance structures are adequately described, and that there is an appropriate system to ensure all clinical and care governance risks and issues are reported to the CGC, and that actions to improve are appropriately monitored, as well as on detailed aspects of assurance such as triangulation of evidence (see below). Relevant previous internal audit recommendations should be considered as part of the Implementation Plan process.

Since our 2021/22 Annual Report was issued, clinical governance arrangements have been enhanced through:

- Embedding of Patient Safety Conversation Visits - a planned programme of patient safety walkrounds and conversations, including Non Executives and members of the leadership teams, with the implementation of actions, although not their effectiveness, reported to the CGWG and the CGC.
- Development and delivery of training and guidance for CGC and CGWG members, supporting them in effectively discharging their responsibilities.

Clinical Governance Assurances

The CGC and CGWG agendas are based on the requirements of the Vincent Framework as mirrored in their Forward Planners. As previously reported, the Forward Planners are not updated and monitored at every meeting of the CGC and CGWG.

The CGC receives assurance reports, including annual reports, from a number of internal and external sources. This package of assurances assists the CGC in identifying key risks and issues. However, actions to address areas of poor performance are not routinely monitored; for example,

the Safety and Assurance report to the CGWG in September and December 2022 highlighted a number of key issues including 23% compliance with Stroke Bundles, a decrease from the September 2022 report compliance of 37%, and well below the 80% target. The report includes sections on 'What needs attention' and 'What are we doing about it' but does not comment on the effectiveness of action taken to improve performance, nor does the CGWG Action Log include improvement actions to be monitored by the Group. The Group does, however, often ask for presentations on areas identified for improvement. Action point 8 highlights a number of potential enhancements in this area.

External Reviews

Our 2021/22 ICE report recommended that *'All external reviews should include an assessment of whether internal systems should have identified any issues and whether there are any wider assurance implications for other areas covered by the same quality systems'*. A30/22 - Organisational response to Emergency Department Review contained an agreed action, due end March 2023, that *'A Standard Operating Procedure (SOP) for external reviews will be refreshed and will include routine reporting of implementation of all actions from external reviews, with overt consideration of whether the issues had been identified through the internal control system'*.

The HIS inspection report on Acute Hospital Safe Delivery of Care at Forth Valley Royal Hospital report issued in June 2022 highlighted a number of issues, the most significant of which were that *'During the course of our inspection we escalated a number of serious concerns to the NHS board on two occasions, in line with our escalation process. The first escalation related to the care of a patient where hospital staff had raised concerns around the patient's ability to consent to treatment. We found a lack of documented risks assessments and formal Adult with Incapacity Assessment.' we also raised a serious concern relating to the NHS board's application of their own policies, their risk assessments on the placement of patients in these areas, restricted access in an emergency situation and the privacy and dignity of patients residing in additional beds and nonstandard care areas'*. The report made nine recommendations and an action plan was agreed to address these. Regular updates were provided to the ELT (11 April, 9 and 30 May, 13 June, and 11 July 2022) and presented an overall positive assessment, including immediate actions to address/resolve and close the majority of the recommendations. However, the assessments/updates were not accurate.

Whilst the report was included in the 'Standards and Reviews report May/June 2022' presented to the August CGC, it was simply listed amongst 89 linked items without highlighting the serious issues raised or the associated risk to NHS Forth Valley. As noted within the Corporate Governance section, the June HIS report was presented to a closed session of the Board at which time the unprecedented nature of its findings was highlighted to the NHS Board by the Medical Director. In addition, a verbal update was later given to a closed session of the NHS Board. However, no Standing Committees were assigned responsibility for reviewing in detail the serious issues raised, both to understand fully the impact of these issues and whether they raised doubts about the adequacy and effectiveness of internal control and assurance mechanisms, as well as to receive and review evidence that effective remedial action was being taken.

The only written progress report was provided to the CGWG in September 2022. It detailed actions and improvements in progress with supporting documentation and reported that most actions were now complete and a number of actions were ongoing as part of core business. The paper stated that no risk assessment was required as risk assessments would be undertaken as required for any individual improvement tasks. It is not clear that this was appropriate given the nature of the concerns raised and their likely impact on the risk profile of the organisation. In the light of the HIS follow-up review (see below), it would appear that the overall positive assessment within this paper was not accurate.

This September 2022 report to CGWG was the only formal paper on completion of agreed actions within the June 2022 HIS report; all other updates were verbal. No updates were presented to the CGC and previously agreed recommendations that the CGC should be advised of any risks or issues identified through internal or external reporting channels and be assured both that action has been taken to address them and that it has been effective, were not implemented in this case.

When the original June 2022 HIS report was published, no formal exercise was undertaken to determine whether internal control and assurance systems could have or should have identified and remediated these issues without the need for external review and whether any issues which had been identified had been escalated appropriately, although this, again, was an agreed recommendation from last year's ICE report.

The HIS follow up report issued on 5 December 2022 raised further serious concerns about the safety and quality of care at Forth Valley Royal Hospital and stated 'This is the third time Healthcare Improvement Scotland have escalated concerns about safety and quality of care at Forth Valley Royal Hospital since April 2022. The report stated that only 3 of the 9 agreed actions arising from the June report had been met in full and added a further 11 new recommendations.

The findings raise questions around the adequacy and effectiveness of controls, assurances and escalation, as well as concerns around Acute Services Division operational risk management and culture and it is vital that these are fully explored by the CGC and SGC, together with their implications for risk, assurance and assessment of the control environment, as well, of course, as ensuring that corrective action is taken and is effective.

A new Action Plan, including oversight arrangements, has been agreed to address the issues highlighted in the December 2022 HIS report and Internal Audit has been asked to review the local action plan to ensure that actions agreed by the group should be sufficient to satisfy the requirements of both HIS inspections. The role of the CGC and CGWG in monitoring this action plan and reflecting on the issues arising for their year-end assurances and the Governance Statement is still to be defined.

Four Mental Welfare Commission for Scotland reports have been considered by the CGC and CGWG in this financial year. However, CGC minutes do not detail how the agreed actions are to be delivered and monitored.

Clinical Risk Management

The Unscheduled Care risk has undergone significant revision and the risk description, current and further controls have been updated. The risk has been renamed 'Urgent and Unscheduled Care' and further controls now include the short and medium-term actions being taken to mitigate risk associated with the immediate pressures. Current and planned further controls are categorised as *Absolutely critical, Very Important, Moderately Important, Important and Low importance*. The score remains at the highest level of 25, indicating that the current controls are not effectively mitigating the risk. The Medical Director and Corporate Risk Manager are continuing with the deep dive of the risk.

The revised Urgent & Unscheduled Care risk description states that an inability to deliver safe levels of unscheduled care could result in potential for patient harm i.e. long waits. The controls do not however directly describe measures to ensure patient safety. We have been informed that the Risk Management Team is involved in the group to implement required actions from the December 2022 HIS Report. We would expect this process to ensure that strategic risks are fully delineated and include all risks to patient safety, as well as ensuring that any new key controls to mitigate harm to patients will be properly recorded in the SRR.

The Corporate Risk Manager has informed us that directly describing all measures being undertaken to ensure patient safety on the strategic risk would quickly become unwieldy, as there will be many

controls to describe across multiple business areas. A more effective approach would be to map associated risks to the strategic risk, for example, through the HIS work we have identified an organisational risk in relation to patient bays/treatment in non-standard areas, and directorate risks in relation to overcrowding in ED and overcrowding in the CAU/AAU. Detailed action is being undertaken to mitigate risks to patient safety in those particular circumstances, and will be included in the reporting to the Clinical Governance Committee to provide assurance.

We understand the principles behind this approach but would highlight that these operational controls would need to be reflected sufficiently in the strategic risk to allow members to understand the overall impact of these operational risks and be assured that they are being managed effectively.

Updates to the Scheduled Care risk were reported to the CGC in August 2022, reflecting the inclusion of actions relating to Realistic Medicine Principles and Scheduled Care Service Assurance. The risk is still focused on the performance aspect of waiting times and as previously reported, it still does not fully capture the serious clinical risks associated with deferral of treatment and diagnosis and the controls in place to mitigate that risk as far as possible, albeit these risks are lower in NHS Forth Valley than elsewhere. This risk has itself changed with the increased national emphasis on patients with the longest waiting times rather than the most urgent clinical need.

We reiterate our previous agreed recommendation that the risk needs further revision to enable the CGC to understand the full set of risks associated with Scheduled Care, and to be assured around the operation of all key controls, including those relating to the risks caused by deferred treatment and extended waiting times. We have been informed that a deep dive review of the Scheduled Care risk is being prioritised. We will comment further on this in internal audit A18/22 – Scheduled Care.

The Out of Hours (OOH) strategic risk score has remained unchanged at 20 (Very high). The Corporate Risk Manager has informed internal audit that this risk has been prioritised for a full review, this has been completed and shared with SG Primary Care Division who were assured by the actions and progress being made – this is referred to in the update to Parliament.

Significant Adverse Event Reviews (SAERs)

The SAER report presented to CG and CGWG provides an update on performance against national KPIs. The most recent report to the November CGC indicated while there has been some improvement in performance, significant further work is required. As reported to the 8 November 2022 CGC the performance against the national KPIs was:

- None of the 3 new SAERs were commissioned within 10 days.
- None of the 6 completed SAERS were completed within 90 days.
- Of the 6 finally approved SAERS, all were approved within the 30 day KPI.
- No information was provided on the KPI to develop an action plan 10 days from the report being approved.

The 2021/22 ICE highlighted ongoing work to improve the process and increase the identification and reporting of these incidents, which is low compared to other NHS Boards. Whilst performance has not improved, work in this area is ongoing and will form part of the Clinical Governance Implementation Plan discussed above.

Duty of Candour (DoC)

The Duty of Candour Annual Report 2020/21 was presented to CGC in August 2022. The report confirmed that NHS Forth Valley has applied the required approach and *“informed the people affected, apologised to them and offered to meet with them. One of the cases warranted application of the legislation”*. The report also confirmed that NHS Forth Valley is currently undertaking a review of the Adverse Event, Significant Adverse Event and Duty of Candour processes and guidance.

Action Point Reference 5 - Annual Reporting and Alignment of Assurances

Finding:

The CGC Annual Report is informed by the CGWG Annual Report and several others, timetabled in the CGC Forward Planner. Included are the Medical Education and Duty of Candour Annual Reports which are scheduled to be provided to the CGC after they have approved their Annual Report.

Similarly, the CGWG forward planner has the Person-Centred Annual Report, the Medical Education Annual Report and Clinical Outcomes Group Annual Report scheduled for presentation after CGWG approval of their Annual Report.

Audit Recommendation:

As previously recommended, Annual Reports that underpin the annual assurances for both the CGC and the CGWG should be scheduled before the Committee annual reports are considered.

Assessment of Risk:

Moderate



Weaknesses in design or implementation of controls which contribute to risk mitigation.

Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.

Management Response/Action:

The recommendation regarding scheduling annual reports is accepted. Further, the comments and observations in this section will be tabled at the next CGWG and then to the CGC.

Action by:

Head of Clinical Governance, and
Medical Director

Date of expected completion:

August 2023

Action Point Reference 6 – Committee Assurances

Finding:

Papers submitted to the CGC and CGWG do not always fully quantify the extent of the risk to the achievement of clinical objectives. For example, the Acute Services Directorate assurance report to the December 2022 CGWG meeting highlighted capacity as a risk but did not describe the scale of the problem, nor did it quantify the potential impact of the risk of overcapacity. Better definition of the nature and quantification of the risk may enable more robust discussion and scrutiny and allow the CGC to fulfil its role in relation to the assessment of risk and the adequacy and effectiveness of internal controls and assurances.

Updates provided to CGC and CGWG are often verbal, rather than formal papers. While the use of verbal reports can be reasonable, in extremis, it should be the exception as verbal updates do not allow members the opportunity to review information in advance of the meeting, or full exploration of the issue under discussion through assessment of structured assurances.


Audit Recommendation:

Within the corporate governance section of this report we have recommended enhancements to governance processes to ensure robust assurances are provided to the NHS Board and Assurance Committees, for example, standardisation of forward planners and agenda planning process or similar quality control mechanism.

As a general principle, verbal updates should only be provided in exceptional circumstances. Where verbal reports are to be provided, the reason for this should be annotated on the agenda and the minutes should clearly and overtly document the outcome of the Committee's discussion.

Assurances provided to CGC could be enhanced through the following:

- Fully quantifying the nature and extent of the risk to the achievement of clinical objectives to enable more robust discussion and scrutiny.
- Assurance papers with a focus on the design and effectiveness of controls, to provide robust assurance that action is having the desired effect in mitigating risks.
- To aid understanding and scrutiny of the reports to the committee a standard approach to present performance information in a tabular format should be adopted. More exact information should be provided to ensure the risk is fully defined and understood, in future to assess if it is within appetite. There needs to be an effective process to log and monitor agreed actions to ensure risks are mitigated to within targets.
- The use of formal papers rather than verbal updates.
- As previously recommended by Internal Audit, more in depth discussion on Stage 2 complaints, where the current performance in resolution within 20 days, is currently 51%, well below the 80% target.
- As previously recommended by Internal Audit, provision of IJB Clinical and Care Governance assurance reports and Public Health reports.
- More in depth analysis of failures in achieving Significant Adverse Event Key Performance Indicators (KPIs), potentially through development of a dashboard.

Assessment of Risk:	
Moderate	 Weaknesses in design or implementation of controls which contribute to risk mitigation. Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.
Management Response/Action:	
<p>These recommendations will be discussed by the CGWG and Committee, and it will be decided what to accept. For instance, there is already a detailed SAER tracker. Similarly, tabular data is not the gold standard. A recent Board seminar stressed the importance of run charts and data over time, as opposed to tabular data. Therefore, there is a need to review these recommendations in appropriate settings.</p>	
Action by:	Date of expected completion:
Head of Clinical Governance, and Medical Director	July 2023

Action Point Reference 7 – Patient Safety Risks

Finding:

The revised Urgent & Unscheduled Care risk description states that an inability to deliver safe levels of unscheduled care could result in potential for patient harm. However, none of the controls or further actions describe measures to ensure patient safety.

Audit Recommendation:

The Risk Management team is involved in the group to implement required actions from the December 2022 HIS Report which highlighted a number of patient safety issues. Given the seriousness of the issues raised by HIS, we would expect that any controls to mitigate harm to patients should be overtly recorded within the risk. This is potentially a short term risk until capacity and flow issues have been remedied.

Assessment of Risk:

Moderate



Weaknesses in design or implementation of controls which contribute to risk mitigation.

Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.

Management Response/Action:

The Urgent & Unscheduled Care risk will be updated to reference the HIS action plan oversight process which is where the patient safety and harm aspects of unscheduled care that were identified in the inspection are being progressed.

Action by:	Date of expected completion:
Corporate Risk Manager, and Medical Director	March 2023

STAFF GOVERNANCE

SRR.009 – Current score: 16 Target score: 3

Workforce Plans. If NHS Forth Valley does not implement effective strategic workforce planning (including aligning funding requirements) there is a risk that we will not have a workforce in future that is the right size, with the right skills and competencies, organised appropriately within a budget we can afford, resulting in sub-optimal service delivery to the public.

SRR.001 – Current score: 12 Target score 6

Primary Care Improvement Plan. If there is insufficient funding and recruitment, there is a risk that NHS Forth Valley will not implement the Primary Care Improvement Plan, resulting in an inability to fulfil the Scottish Government Memorandum of Understanding as part of the GP contract, jeopardising GP practice sustainability and potential financial penalty for non-implementation.

Governance Arrangements

Revised Staff Governance Committee (SGC) Terms of Reference (ToR) were approved by the SGC in March 2022 when it was agreed that committee papers should be distributed three days in advance of meetings. While the SGC agreed this, this was amended in September 2022 when the NHS Board approved the revised Code of Corporate Governance which states papers should be distributed five days in advance of meetings. In our opinion, this is much more reasonable timeframe, although ideally committee members should have at least seven days to review papers in advance of meetings, particular given the volume of reports produced.

Our review of SGC papers concluded that while there is a large volume of papers and a lot of raw data is provided, key information is not highlighted, conclusions are not drawn and cover papers could be improved considerably, especially through a much greater focus on key risks.

We have previously made a number of observations and recommendations on the performance of the SGC, its remit and its operation and it is not clear that these have all been implemented effectively. The operation of the Committee should be reviewed to ensure that it demonstrates the rigour associated with a NHS Board Standing Committee, in order that it can be assured it will be in a position to conclude on the adequacy and effectiveness of control arrangements at year end. This review should ensure the alignment of annual reports that underpin the SGC Annual Report and a review of the meeting scheduling to ensure coverage throughout the year. For example, there was a four month gap between the May and September 2022 meetings, at a time when, had the SGC been provided with the draft Workforce Plan they may have been better able to contribute to the final version.

Minutes of the May 2022 meeting were presented to the NHS Board but not accompanied by an update report. The draft minutes of the September 2022 SGC meeting have not yet been presented to the NHS Board. It is good practice for committee update reports to be prepared for the NHS Board, along with minutes, to provide a structure which allows the SGC to ensure that papers and minutes are sufficiently robust to allow identification and escalation of key risks and issues, and clear evidence of discussion and decision making. An update report also ensures that areas where performance needs to improve are identified and highlighted to the NHS Board.

The Staff Governance Assurance Plan and Workplan is a standing agenda item and as well as

recommending introduction of a standard format Forward Planner for all Assurance Committees, we have suggested some further enhancements in the action points. The refresh of the People Strategy 2022-2025 was not presented to the September 2022 SGC as planned, because information from the National Culture and Wellbeing Strategy had not been received and the Workforce Plan had not been finalised. The Well Informed and Involved in Decisions report was presented to the December 2022 meeting, rather than the September meeting, and the People Strategy 2022-2025 has not yet been presented.

The HR Directors report to the SGC provides an update on Staff Governance and Partnership issues. It includes a highlight report on NHS Forth Valley's workforce which detailing headcount, whole time equivalent, breakdown by type, age profile, employee relations statistics and staff turnover.

Workforce Strategy/Planning

In compliance with the SG requirement to re-introduce a 3 yearly planning cycle across NHS Scotland, the NHS Forth Valley Workforce Plan 2022-2025 was approved by the NHS Board on 29 November 2022 and is published on the NHS Forth Valley website. A one month extension to the original publishing date of 31 October 2022 was approved by SG to enable NHS Forth Valley to incorporate feedback received from SG at the end of August 2022.

The draft Workforce Plan was not considered by the SGC prior to submission to SG but was considered by the SCG on 16 September 2022 before presentation to NHS Board on 29 September.

This was not the natural approval route, which would require the SGC to be consulted on and approve the draft Workforce Plan prior to NHS Board approval in advance of submission to SG.

The Workforce Plan paper to the 16 September 2022 SGC invited members to provide feedback on the draft Workforce Plan prior to the NHS Board meeting. We were unable to ascertain whether any comments were received and whether they were incorporated into the version submitted to the NHS Board, but this will be covered in our detailed audit.

The September 2022 SGC minutes stated that SG was happy with the content and the quality of the plan, with only a small number of areas noted as needing additional information. However, it also stated that SG had requested that gaps be identified and requested clarification on what work will be commenced to resolve these. Given that one of the primary purposes of a Workforce Plan is to identify and then mitigate the gaps between projected workforce availability and projected workforce requirements, this is not a trivial omission. The formal SG feedback has not yet been provided to the SGC nor was it made available to internal audit when requested from the Director of HR.

The September 2022 SGC was informed that the draft Workforce plan had been submitted to the Area Clinical Forum, ELT and Area Partnership Forum with the anticipation that feedback would be provided. The SGC was presented with the final Workforce Plan on 23 December 2022, but the cover paper did not highlight revisions made as a result of feedback and it is not clear that NHS Board requests for revisions, including an Executive Summary and inclusion of risks associated with retiral and access to a future replacement workforce, have been incorporated.

The SGC remit states that it should '*Monitor Workforce Plan development and its associated action plan, and oversee the implementation of Everyone Matters, the national workforce vision and related workforce strategies*'. However, the first draft of the Workforce Plan was not considered by the SGC prior to submission to SG as there was no scheduled meeting, although we were informed, albeit without the requested evidence, that the SGC Chair and members had sight of the draft plan before submission. Therefore, the SGC did not have the opportunity properly to fulfil its fundamental role in the approval process and the approval route was more circuitous than would have been expected.

Internal audit A17/23 Workforce Sustainability is ongoing and will provide a more detailed analysis

of the Plan, although it has been delayed considerably as a result of delays in the provision of information requested. Our initial fieldwork indicates that the Workforce Plan does not fully comply with the requirements of DL 2022 (09) and in addition to the lack of a gap analysis noted above, affordability does not appear to have been assessed, and the needs of partner bodies and the impact of the National Care Service have not been addressed.

Risk Management

Risk SRR.009 Workforce Plans has a current score of 16 and a target score of 6, which is extremely optimistic in the current environment. The risk was reported to SGC in May and in September 2022, when it was updated to reflect progress with establishing the 2022-25 Workforce Plan and planned approval by 31 October 2022. The strategic risk scope is limited to developing the Workforce Plan. The Workforce Plan should be the primary vehicle to mitigate the serious workforce risks the organisation is facing and to ensure that the organisation has the right staff in the right place to achieve its objectives. Work is underway to review the risk to incorporate issues related to future access to the required workforce to meet the population needs of Forth Valley. Future Workforce Plans should clearly identify short/medium-term risks and ensure that these are used to update the Strategic Workforce risk.

Strategic risk SRR.001 Primary Care is proposed for closure and alignment of a new Primary Care Sustainability risk was proposed by the SGC in December 2022. An organisational sub-risk (Org 14) has been developed to monitor progress with the Primary Care Improvement Plan and delivery of the Scottish General Medical Services Contract. SRR.018 – Primary Care Sustainability – has a current score of 16 and a target score of 6. Internal Audit A16/22 – Primary Care Improvement Plan, issued in November 2021, recommended that the new primary care risks should be aligned firstly to the GMS Contract Oversight Group or Primary Care Programme Board and secondly to the Clinical Governance Committee to ensure effective and appropriate oversight.

Staff Governance Standards

The National Annual Staff Governance Monitoring Framework 2021/22 return was submitted to SG in November 2022 and presented to the December 2022 SGC.

Guidance is still awaited from the SG on Staff Governance Standard monitoring arrangements and accordingly there was no requirement to prepare a Staff Governance Action Plan (SGAP) for 2022/23.

The SGC Assurance Plan covers the five elements of the Staff Governance Standard and monitoring is through a combination of annual, bi-annual, quarterly reports, and reports presented at each meeting. During the year to date, reporting on the five strands has commenced through the Quarterly Staff Governance action planning reports completed by all directorates and HSCPs based on their self-assessments. The Staff Governance Assessment Tool and Action Plan is now a SGC standing agenda item and reporting in December 2022 covered the 'Involved in Decisions' and 'Well Informed' strands.

Our review of the action plans showed that the majority of action target dates are 'ongoing and are not 'SMART'. As an example, within Mental Health & Learning Disabilities Directorate one of the actions is 'Maintain regular 1:1s with all staff by line managers'. The timeline for this is 'ongoing'. This could be enhanced by stating the action as 'Each staff member will have a minimum of 2 x 1:1s in the course of a year'. The target date could be set as one year hence.

Policies

As noted in the HR Director's report to the December 2022 SGC, NHS Forth Valley has contributed to NHS Scotland's 'Once for Scotland' Workforce Policies 'Supporting the Work Life Balance

Consultation' which took place between 26 October and 25 November 2022. A short life working group has been established to develop a robust process for review, monitoring, and reporting of HR policies. HR Managers are currently raising awareness through presentations to Directorate, HSCP and department monthly Workforce Performance meetings. The number of out of date HR policies is not reported to the SGC but should be.

As reported to the December 2022 SGC, KPIs for compliance with timescales within Workforce Policies such as recruitment, grievances etc. are being developed for incorporation in the monthly Workforce Performance Reporting to SGC and Directorate Performance Review meetings.

Staff Experience, Wellbeing & Safety

The Strategic Workforce Wellbeing Plan was approved by the NHS Board on 26 July 2022 and the Staff Support and Wellbeing Website was refreshed before going live on 31 August 2022. The Staff Support and Wellbeing Programme Group are exploring ways of measuring its impact.

The Staff Conference on 23 and 24 June 2022 was the first of three priority events to support the organisation's strategic intent to achieve the vision and ambitions for the future. The event focussed on Compassionate Leadership and Culture and as reported to the September 2022 SGC, planning is underway on how to take forward Compassionate Leadership and Culture Change within NHS Forth Valley. The HIS report issued in December 2022 notes that "NHS Forth Valley must ensure the development of a positive culture where staff feel safe and supported to highlight risks and concerns in relation to staff and patient safety" and "NHS Forth Valley must ensure meaningful engagement with staff who are raising concerns, to ensure an open and transparent culture, ensuring essential learning from staff concerns is taken and used to make improvements for staff and the patients receiving care". However, as noted above, the SGC has not considered the HIS report, despite its relevance to a number of areas within the SGC's remit.

The iMatter survey closed in September 2022 and as reported to the December 2022 SGC, the response rate was 56%. Actions to improve the process in 2023 have been identified, including ongoing support from senior level for further embedding of iMatter, managers being required to personally confirm their teams on the system and ongoing monitoring of KPIs.

Health & Safety quarterly reports and minutes of the Health & Safety Committee are presented to the SGC. The 2022/23 quarter 2 Health & Safety report stated that compliance with manual handling and violence and aggression training has fallen and is below the expectations identified in March 2022 for September and this is expected to continue in quarter 3. The report stated that non-compliant staffing lists have been provided to senior management requiring staff identified to be booked on available training courses and the Training Compliance Oversight Group continues to meet to maintain focus on this key area, and reports through the ELT.

The Interim Nurse Director updated the September 2022 SGC on the introduction of the Health and Care (Staffing) (Scotland) Act 2019, which provides the statutory basis for the provision of appropriate staffing, enabling safe and high quality care and improved outcomes for staff as well as service users. Full implementation of the Act, including full monitoring and governance will take place on 1 April 2024 providing time for the necessary preparations. NHS Forth Valley has volunteered to be a test site for the pre-implementation testing of the effectiveness of the statutory guidance and are awaiting the outcome of the offer.

Whistleblowing

The Whistleblowing Annual Report 2021/22 was presented to the September 2022 SGC and the NHS Board and incorporated Standard Operating Procedures and KPIs. The Whistleblowing Champion concluded that '*Their (dedicated officers) work has allowed me to provide assurance to the Board of NHS Forth Valley that all necessary whistleblowing processes and procedures are in*

place and working effectively.'

Quarterly updates on implementation of the Whistleblowing Standards and Whistleblowing activity continue to be reported to the NHS Board and SGC. Six cases were raised in total during 2021/22.

Remuneration Committee

The Remuneration Committee continues to self-assess their performance at each meeting.

Staff Appraisal

The July 2022 Remuneration Committee approved the 2021/22 performance appraisal process for the Executive and Senior Manager Cohort and the 2022/23 objective setting process for the Executive and Senior Management Cohort.

The Annual PDP and Medical Appraisal Report was reported to the SGC on 16 September 2022. As of 9 September 2022, the overall completion rate for Personal Development Planning and Review was 35.4% for Agenda for Change staff. No TURAS compliance information has yet been provided to the SGC since but the SGC will receive a report on 'Adequately Trained' before year-end. 2021/22 appraisals for were reported as complete for 261 of 339 Secondary care doctors, there were 4 exemptions and 74 appraisals not completed. The report provided no analysis of the reasons for non-completion and therefore did not provide assurance on the operation of the system. There is currently no reporting on General Practitioners.

Sickness Absence Reporting

Sickness absence is reported to each meeting of the SGC. National and local data is summarised by service, job family and reason. From September 2022 the sickness absence rate includes Covid-related illness.

The overall sickness absence rate for November 2022 was 7.87%, against the target of 4% with a tolerance of 0.5%. Covid-related illness accounted for 8.30% of all hours lost to sickness in November 2022.

The reports provided to the SGC provide extensive data showing an overall upward trend but no identified remedial action. Whilst the target of 4% is not achievable, given the need to reduce agency staff and deliver services, and with mandatory Safe Staffing levels imminent, it is vital that the SGC understands what steps are being undertaken to reduce sickness and whether these are effective.



Action Point Reference 8 – Workforce Planning

Finding:

The SGC remit states that it should ‘*Monitor Workforce Plan development and its associated action plan, and oversee the implementation of Everyone Matters, the national workforce vision and related workforce strategies*’.

The first draft of the Workforce Plan was not considered by the SGC prior to submission to SG, and the Director of HR made it clear that the submission was subject to SGC comment. The Director of HR presented a Workforce Plan update to the 16 September 2022 SGC and confirmed the Plan in draft had been submitted to SG.

The minutes state that the SGC considered and commented on the draft Workforce Plan, but none of this discussion was recorded in the minute. Members were asked to submit commentary on the Workforce Plan after the meeting. The Plan was then submitted to the NHS Board in September and the feedback from SG and SCG was reflected in the NHS Board minute. The Plan was then represented to the NHS Board in November however the comments e.g. Executive Summary had not been added to the Plan. In approving the Plan the NHS Board asked that comments be added including adding an Executive Summary before the Plan be published.

Audit Recommendation:

The approval process for the Workforce Plan should be clearer and must involve the SGC having proper oversight over its development and providing formal endorsement of it prior to approval by the NHS Board and subsequent submission to the SG. This will allow the Committee to be assured on the process for developing the Workforce Plan and, most importantly, whether it fit for its fundamental purpose; the identification and mitigation of Workforce risks and ensuring that NHS Forth Valley will have the right staff in the right place with the right skills to allow it to deliver its strategy and provide sustainable services.

The importance of this area should be reflected in the SGC Terms of Reference and Committee Assurance Plan and Workplan which should also include robust monitoring of delivery of the Workforce Plan.

Assessment of Risk:

Significant



Weaknesses in control or design in some areas of established controls.

Requires action to avoid exposure to significant risks in achieving the objectives for area under review.

Management Response/Action:

The Workforce Planning Approval process will be clarified in line with national guidance by the Director of HR.

Monitoring of achievement against the agreed Workforce Plan will be provided quarterly at the Staff Governance Committee starting from 17 March 2023.

Action by:	Date of expected completion:
Director of HR	March 2023

FINAL REPORT

Action Point Reference 9 – Staff Governance Standard

Finding:

Reporting on the five strands of the Staff Governance Standard through the Directorates/Partnerships quarterly Staff Governance action plans has been introduced during 2022/23 and 2 of the 5 strands have been reported to date.

The SGC Assurance and Workplan includes annual reporting on each strand but does not set out a timetable for reporting of each strand throughout the year, so that year end assurance can be provided.

Our review of the action plans presented to date, showed that the majority of action target dates are 'ongoing and are not 'SMART' and reporting does not include a measure of how successfully and effectively actions are being implemented.

Audit Recommendation:

The SGC Assurance and Workplan should clearly state how and when assurance will be provided on each strand of the Staff Governance Standard.

Staff Governance action plans should be SMART and outcomes focussed.

Assessment of Risk:

Merits
attention



There are generally areas of good practice.

Action may be advised to enhance control or improve operational efficiency.

Management Response/Action:

Feedback will be provided to all Directors to ensure that their Directorate / HSCP Staff Governance Standard reporting quarterly actions are SMART and outcome focused.

Action by:

Director of HR

Date of expected completion:

March 2023

Action Point Reference 10 – Operation of the Committee

Finding:

We were not able to conclude that the SGC has fully demonstrated the rigour associated with an Assurance Committee of the NHS Board. Identified weaknesses in the operation of the SGC include:

- Committee Update report from the May 2022 meeting and the draft minutes of the September 2022 meeting have not been presented to the NHS Board.
- Scheduling of meetings not conducive to the effective functioning of the Committee with a gap of four months between the May and September 2022, at a time when critical, high-level work was being progressed, most notably the development of the Workforce Plan.
- Slippage in the Committee's work plan.
- Voluminous but not targeted papers, and cover papers which do not highlight key information, contain comprehensive risk assessments nor provide robust assurances.
- Scheduling of the 2022/23 Whistleblowing Report after SGC consideration of the SGC Annual Report in March 2023.

Audit Recommendation:

A rigorous examination of the 'administration' aspects of the Committee should be undertaken as a priority to assist its effective functioning, to ensure it is operating with the required diligence, and that it can provide meaningful Committee Update reports to the NHS Board and conclude on adequacy and effectiveness of arrangements at year end. The findings above should be included and outcomes of this review and any amendments to the SGC Assurance Plan, Standing agenda items and reporting format / style should be reported to the SGC. The Committee Assurance principles should be central to this review.

The Assurance Plan and Workplan should be reviewed to ensure consistency across the two documents, and consideration given to whether both are necessary.

Assessment of Risk:

Significant



Weaknesses in design or implementation of key controls i.e. those which individually reduce the risk scores.

Requires action to avoid exposure to significant risks to achieving the objectives for area under review.

Management Response/Action:

Director of HR and Committee Chair to Review the operation of the SGC to ensure demonstration of rigor associated with a Board Standing Committee. This will include meeting scheduling; alignment of annual reports that underpin the SGC annual report; update report for presentation to the NHS Board; implementation of the standard format Forward Planner in line with all other Assurance Committees and the content of cover papers to ensure that conclusions are drawn and key information highlighted.

Director of HR and Committee Chair to meet with audit colleagues to understand what recommendations they believe are outstanding from the previous ICE report.

Action by:	Date of expected completion:
Director of HR	March 2023

FINAL REPORT

FINANCIAL GOVERNANCE

SRR005 – Current score: 25 Target score: 9

Financial Sustainability: If NHS Forth Valley financial plans are not aligned to strategic plans and external drivers of change, there is a risk that our recurring cost base for our services over the medium to long term could exceed our future funding allocation, resulting in an inability to achieve and maintain financial sustainability, and a detrimental impact on current/future service provision.

SRR010 – Current score: 20 Target score 9

Estates and supporting Infrastructure: If there is insufficient capital funding to develop and improve the property portfolio there is a risk the estate and supporting infrastructure will not be maintained in line with national and local requirements.

SRR017 - Current score: 20 Target score 16

NHS Forth Valley does not receive funding and resources, there is a risk that we will be unable to comply with DL38 and delivery actions/meet requirements of the Scottish Government Climate Emergency & Sustainability Strategy, and will not operate in an environmentally sustainable way, resulting in failure to meet objectives and damaging stakeholder/public confidence.

Financial Landscape

Scottish Government (SG) Quarter 1 feedback on the NHS Forth Valley Annual Delivery Plan noted that *'all boards are facing a challenging financial position and we note that, at the time the plans were developed, there was considerable uncertainty around expected allocations. We would therefore ask that ADPs are regularly reviewed to ensure they are deliverable within the current financial envelope and from within expected staffing levels'*.

The Finance Report to end of November 2022 reported a £2.5m forecast overspend for the year which reflects key pressures including cost inflation, current additional bed capacity measures and funding risks. This position is subject to risks on expenditure profiles over winter and assumptions on other anticipated funding which has not yet been received. The Emergency Budget Review, published on 2 November 2022, reinforced the scale of the financial challenge facing NHS Scotland and confirmed the reprioritisation of £400m from the Health & Social Care portfolio across a range of services to support spending priorities including the anticipated pay award. At the time the Director of Finance prepared his report to the end of November, key risks included no confirmation of the final pay award and financial risk share arrangements with IJBs.

Financial Planning 2022/23

The Financial and Capital Plans for 2022/23 to 2026/27 were approved by the NHS Board in open session on 29 March 2022. The Financial Plan for 2022/23 was based on a one-year transitional funding settlement detailed in the SG indicative allocation letter of 9 December 2021. The paper noted *'The level and scale of the financial challenge has increased over the course of the pandemic and a focused whole-systems approach is required to embed innovation, quality, and efficiency in delivering service plans aligned to recovery.'*

The Financial Plan highlighted that delivering a break-even position in 2022/23 would be extremely challenging and requires a strong focus on improving value, improving efficiency and maximising the model of care. The savings requirement was £29.3m (5% of recurring baseline).

As early as June 2022, the Director of Finance highlighted several new and emerging financial risks

and challenges including pay award offers, regrading of Healthcare Support Workers, non-pay inflationary pressures and use of temporary staffing due to increasing demand / unmet need. Further uncertainty regarding the wider economic outlook was of concern in light of messages from SG's recently published resource spending review and medium-term financial framework. The projected effects of these emerging conditions resulted in an estimated financial risk of between £7m and £10m. Following reassessment at the end of Quarter 1, the revised projected overspend figure reported to SG was £11m.

SG requested an action plan setting out how NHS Forth Valley would deliver a breakeven position by 31 March 2023. Identified recovery actions reduced the forecast overspend to £4.9m at September 2022 and £2.5m at November 2022, but further actions are urgently required to close the gap before year end. Consideration is being given to pausing / delaying planned service developments, where clinically appropriate, between now and the end of the financial year, accelerating recurring savings plans as part of the cost improvement programme and identifying further non-recurring savings that can be delivered quickly. The vast majority of the recovery actions are non-recurring and thus increase the financial challenge for future years.

Internal audit A20/23 - Financial Sustainability has commenced and will assess how financial management incorporates the current and planned controls to mitigate the financial sustainability risk. The work with Internal Audit is at a very early stage due to the considerable pressure on the finance team.

Financial Reporting

Finance reporting to the NHS Board and P&RC has been transparent and open, and the Director of Finance has consistently and clearly articulated financial challenges, risks and improvement actions. Specific challenges are:

- Achievement of savings targets due to lead-in time necessary to develop and implement the associated project plans, coupled with limited availability to release key staff to manage the process since they continue to be required to focus on immediate service pressures.
- The financial impact of Covid19 costs beyond the allocated resource limit, in both the short and longer-term, and its impact on both service delivery and financial plans.
- The level of outstanding allocations from SG making forecasts more likely to experience volatility and planning more difficult.

Whilst reporting has been clear, if the use of Financial Management techniques to achieve year-end targets is to continue to expand, there would be benefit in a paper to the P&RC setting out the initiatives in more detail together with an assessment of risk, especially where there is an impact on funds available.

Risk Management

Financial risks are aligned to the P&RC, with the SRR presented to the June, August and October 2022 meetings.

The risk score for SRR005 – Financial Sustainability – was raised from 20 to 25 in the last quarter of 2021/22, reflecting the significant challenge of financial break-even on a recurring and sustainable basis and the limits on Covid19 funding going forward. This risk currently remains at a score of 25, the highest it can be. The target score is 9, which we consider optimistic. We recommend reconsideration of the target risk, which needs to reflect the extreme pressures the NHS Board is facing.

This risk had previously been titled 'Financial Break-Even' but this was changed to 'Financial Sustainability' to focus on longer term, whole-system changes to the recurring cost base to ensure

this is contained within future funding allocations.

The Estates and Supporting Infrastructure Strategic Risk, presented at the October 2022 meeting showed that the score had remained static with a score of 20 (Red), and a target score of 9. The review notes point out that there has been some slippage in securing funding to take the Property and Asset Management Strategy (PAMS) forward so this has been delayed but work is being progressed towards a draft by the end of the calendar year.

Savings

A savings requirement of £29.3m to achieve revenue financial balance was set out in the 2022/23 Financial Plan. Targeted plans to the value of £22.8m had been set across 6 themes, with a gap of £6.5m to be identified as the year progressed.

The latest finance report to the December 2022 P&RC reported a revenue overspend of £1.8m to end of November. £14.3m (49%) of the planned £29.3m savings had been secured with the majority of the remaining £15m being assessed with a RAG status of red, including £6.2m required savings unidentified at this point. We would highlight that the majority of these savings relate to financial management rather than genuine operational efficiencies.

The Director of Finance has informed the P&RC and the NHS Board that delivery of the savings target is unlikely to be fully achieved in year and that work is underway to accelerate delivery of recurring savings targets as far as possible in year particularly in relation to a number of prescribing initiatives. He also set out work to identify alternative recurring and non-recurring savings, combined with further financial management initiatives including additional slippage in planned investments and extended use of balance sheet movements.

The Cost Improvement Oversight Group, paused during the pandemic, was re-established in October 2022 and was tasked with an early focus on resetting core financial and budgetary controls, supporting the expansion of those savings schemes already in place and engaging with staff teams across services to develop new options. A process for developing future cost improvement schemes has been established. However, as can be seen from the low level of savings and the reliance on financial management, the group has had limited success over the last year.

A Financial Risk and Sustainability paper was presented to the October 2022 CMT. This provided an update on the risks and mitigation actions already in place and to seek CMT views on further measures required. The CMT was asked to consider where further efficiencies can be delivered, particularly in relation to the management and control of workforce costs, where savings could be accelerated or further developed to reduce delivery risk and to consider the scope, direction and key messages on the cost improvement plans.

The December P&RC was informed that work is currently underway to review the cost improvement programme in order to inform the NHS Board's 3-year financial plan 2023/24 to 2025/26 and to ensure that the programme is fully aligned with the four aims of the Scottish Government's new Sustainability and Value agenda, namely:

- To deliver better value care within available resources
- To make effective use of resources
- To optimise capacity within available resources
- To be environmentally and socially sustainable

A local Sustainability and Value Board is currently being established to oversee the local delivery of national value workstreams. This will sit above the Board's established Programme Board structure, including the Cost Improvement Oversight Group.

Best Value

NHS Forth Valley's approach to demonstrating Best Value was provided to the NHS Board in January 2022. The Director of Finance, together with Corporate Portfolio Management Office is ensuring that all savings schemes and associated local governance arrangements are in line with the four aims of the Scottish Government's new Sustainability and Value Board.

Other Areas covered by ICE Fieldwork

We also reviewed the following areas, none of which highlighted any significant issues:

- Standing Financial Instructions
- Standards of Business Conduct
- Anti-Fraud and Corruption Policy and Response Plan
- Financial Operating Procedures
- Control over the Acquisition, Use, Disposal and Safeguarding of Assets

As at November 2022, review of 7 of 24 (29%) of Financial Operating Procedures (FOPs) was overdue.

A27/22 Electronic Employee Support System (eESS), issued on 17 October 2022, reviewed an interim arrangement for authorisation of permanent payroll amendments in eESS. Internal Audit concluded that an effective control framework was in place and was being complied with and reported areas where the application of current controls could potentially be improved upon. Management have agreed that the preferred system option will be formally agreed and will be appropriately communicated to relevant staff.

Capital Plan and Property Strategy

Ongoing progress of the Capital Plan and any variations are discussed at the Capital Monitoring Group Meetings. A mid-year review resulted in anticipated allocations being reduced by £1.6m as reported to the November NHS Board. A balanced position was projected at end of November 2022 recognising that the vast majority of planned expenditure is expected to be incurred in quarters 3 and 4.

An updated Property and Asset Management Strategy (PAMS) is scheduled for presentation to the February 2023 P&RC. A progress report against key milestones, was presented to the P&RC on 28 June 2022. Work on the PAMS is ongoing and will link to the updated Healthcare Strategy. Internal Audit will be apprised throughout the PAMS refresh process and will input where appropriate as the PAMS is developed. We will provide a final opinion on the process and outcome in A22/23 – PAMS. The PAMS will be a key component of the NHS Board's overall strategy, both in terms of determining future options and facilitating their effective delivery.

Environmental Reporting

A Policy For NHS Scotland on the Climate Emergency and Sustainable Development - DL (2021) 38, was issued on 10 November 2021, with its requirements mandatory and with immediate effect. The DL requirements are likely to pervade all NHS Forth Valley Board decision making going forward. The DL is underpinned by Scottish Government's Climate Emergency and Sustainability Strategy 2022-2026 which was published in August 2022.

The DL sets out milestones towards NHS Boards becoming net-zero by 2040 and the governance arrangements thereof. Internal audit A13/23 reviewed NHS Forth Valley's initial steps in implementing the structure and governance arrangements within the DL and concluded that reasonable assurance has been provided that the appropriate initial steps have been taken in respect of compliance with the DL and the management structure, governance and scrutiny arrangements are in place.

Resourcing to effectively implement the requirements of the Sustainability Strategy is likely to be a

significant cost pressure in future and will need to be balanced against the needs of patients and the delivery of other key objectives.

Forward Look 2023/24

The Director of Finance's report to the December 2022 P&RC highlighted a number of issues arising from the 2023/24 Scottish Budget, the most salient of which is that efficiency savings in the region of 5-7% of recurring baseline are likely to be required to deliver financial balance. Whilst savings on this scale can be achieved in the short-term using a variety of techniques, they are not generally sustainable in the medium term without fundamental change. Recommendation 1 above highlights the need for NHS Forth Valley to provide strategic solutions for long-term financial sustainability and for all NHS Board members to collectively consider how they ensure that the extremely challenging financial environment is reflected, and the need for financial sustainability underpins, all decisions taken by the NHS Board and by Officers.

FINAL REPORT

Action Point Reference 11 – Strategic Financial Risk

Finding:

The target score for strategic risk SR005 – Financial Sustainability is 9. Reaching the target score in the medium term will be extremely challenging given that the current risk rating is at the maximum possible score, 25 and our assessment is that this is extremely optimistic in the current circumstances.

A comprehensive and well structured deep dive into the strategic financial risk was presented to the P&RC in October 2021 but the overall economic outlook has subsequently deteriorated significantly.

Audit Recommendation:

The target risk score should be reassessed in line with current circumstances.

The NHS Board may want to consider bifurcating the strategic financial risk into a short term risk for achievement of targets in-year and one considering overall financial sustainability in the longer term.

The P&RC should receive an updated “deep dive” into the strategic financial risk which has changed significantly since it was last presented to the P&RC in October 2021.

Assessment of Risk:

Merits
attention



There are generally areas of good practice.

Action may be advised to enhance control or improve operational efficiency.

Management Response/Action:

The target risk score will be re-evaluated in light of the current risk environment and an updated deep dive on financial sustainability will be presented to the Performance and Risk Committee at an appropriate time during 2023, building on the 2021 update.

Action by:

Director of Finance

Date of expected completion:

Target risk score will be updated by April 2024 aligned to new 3 year financial plan.

An updated deep dive on the strategic financial sustainability risk will be presented to P&RC by November 2023.

INFORMATION GOVERNANCE

Corporate Risks:

Risk SRR003 – Information Governance – High Risk (16); Target (9) Medium

If NHS Forth Valley fails to implement effective Information Governance arrangements there is a risk we will not comply with a range of requirements relating to Data Protection legislation (including UK GDPR) and the Network and Information System Regulation (NIS), resulting in reputational damage and potential legal breaches leading to financial penalties.

Risk SRR011 – IT Infrastructure – High Risk (12); Target (6) Medium

If there are significant technical vulnerabilities there is a risk the NHS FV IT Infrastructure could fail, resulting in potential major incidents or impact to service delivery.

Risk SRR017 – Cyber Resilience– Very High Risk (20); Target (16) High

If NHS Forth Valley does not build and maintain effective cyber resilience, there is a risk that the cyber security of the organisation may be compromised, resulting in disruption to our ICT systems and service delivery. Increased Cyber risk as reported by National Cyber Competent authorities (NCSC, SG Cyber Unit)

Governance, including previous ICE and Annual Report Internal Audit Recommendations

Our 2021/22 ICE report recommended improved reporting on key aspects of Information Governance & Security through regular assurance reports to the P&RC rather than via minutes, which are not a good source of assurance. We also recommended regular reporting to P&RC on the management of IG related incidents, including timeliness of reporting, feedback or further action from the competent authority, and consideration for inclusion in the NHS Board's Governance statement.

Management agreed that cover papers with minutes would be enhanced to provide greater visibility, and that this would be completed by end of March 2022. This enhanced reporting has not yet been introduced and reporting to the P&RC continues to be via minutes of the Information Governance Group (IGG), with the IGG Annual Report due to be presented to the P&RC in February 2023.

While the IGG Annual Report includes details of IG incidents reported to the relevant competent authority the P&RC does not receive assurance during the year regarding the management of IG related incidents. The Head of IG is leading work on whole system revision of the IG governance structure and enhanced reporting is planned for 2022/23.

The new Head of IG is reviewing IG structures and we have been assured that highlight reports will be produced for presentation to P&RC during the last quarter of 2023/24. This review will introduce processes to test the organisation's IG systems and will aim to improve second line of defence reporting by the IG team.

Governance

IG governance was discussed at the September 2022 IGG meeting and it was highlighted that the quantity of work undertaken by the IGG has expanded since the implementation of the General Data Protection Regulation 2018 (GDPR), Network and Information System Regulation 2018 (NISR), and the Public Records (Scotland) Act 2011 (PRSA). The Information Security Group has been reconstituted as the 'Better Information Governance' Group (BIGG) and first met on 1 December

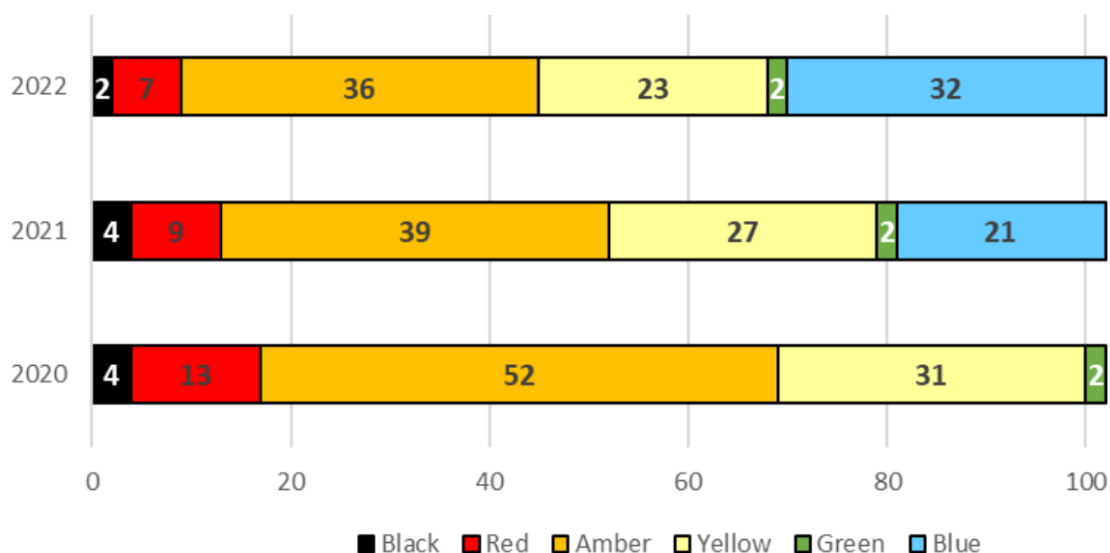
2022, with an extended remit to cover NISR, GDPR, FOISA and Records Management, and relevant cross-cutting governance matters such as policy development.

The IGG accepted a revised format Information Governance Workplan 2022/2023 at the 22 September 2022 meeting. We welcome the introduction of this format which categorises workstreams under: Ongoing Assurance; Governance; Training and Awareness; Communications.

Activities under each workstream have also been allocated a priority rating to indicate the likely impact of failing to deliver an activity and a status to assist the Head of IG in monitoring whether an activity is being delivered within target or is at risk.

The NISR audit 2022/23 was issued on 2 September 2022 and outcomes were reported to the 22 September 2022 IGG. The compliance status for NHS Forth Valley has improved with an overall compliance rate of 70% in 2022, compared to 60% in 2021 and 50% in 2020. The report to the September 2022 IGG and to the December 2022 P&RC also noted the following progress:

RECOMMENDATIONS PROGRESS



The Information Commissioner’s Office (ICO) audit will take place in January 2023 and a report highlighting recommendations for improvement will be issued. The IG Team is in the process of collating and reviewing the requested documentation to identify gaps and whether any update or review is needed. In addition, the Head of IG was reviewing how to communicate the ICO audit across the organisation to ensure visibility.

Risk Management

The three IG corporate risks are aligned to the P&RC. The Corporate Risk Manager is working closely with the Head of IG to review and update risk SRR003 - IG, to be completed in early 2023. In our view the target score for both the IG and the Infrastructure risk are low and will be challenging to achieve.

The P&RC considered a deep dive review of the Cyber security risk, completed in conjunction with risk management, ICT and IG colleagues, at their meeting in December 2022.

Our annual report fieldwork will review risk assurances presented to the P&RC during the remainder of 2022/23 to determine whether these allow the Committee to provide reasonable assurance on these risks at year-end, including accuracy of scores, adequacy and effectiveness of key controls and key actions.

The introduction of a RAG status for IGG papers covering overall progress against the IG workplan, Risks and Issues and Resources is commended.

The most recent Freedom Of Information (FoI) Highlight Report update to IGG on 8 December 2022 noted that compliance with the statutory response timescale for FOI (Scotland) Act 2002 and Environmental Information (Scotland) Regulations 2004 requests had fallen to 55% in the third quarter of 2022, risk assessed as red, and that if compliance remained at this level, it was anticipated that NHS Forth Valley could receive a Level 1 or Level 2 intervention from the Scottish Information Commissioner. Actions to address this risk include wider circulation of the weekly report of received requests to increase awareness and monitoring and continued engagement with key stakeholders to identify process improvements and efficiencies. The Head of IG has informed internal audit that further work is underway to examine FOI performance and identify improvements, but that there are multiple factors impacting on performance and corrective action will take time. The risk associated with this area and the relevant controls should be incorporated within the overall IG risk as part of the risk review referred to below.

As reported to the 22 September 2022 IGG, an Information Governance Risk Policy will be developed and will set out a standardised approach for the identification, assessment and reporting of information risk within the organisation.

Information Governance Responsibilities

An NHS Forth Valley Senior Information Risk Owner (SIRO) and Data Protection Officer (DPO) are in place and the SIRO is an Executive member of the NHS Board.

Information Governance Policies and Procedures

The IGG work plan includes a section which details by exception IG related policies that need to be developed or updated. At December 2022 six policies were under review. The Information Risk Policy and Procedure and the Email acceptable Use Policy were due for completion by end of December, although both were flagged as a red risk for timely completion.

Digital and eHealth Strategy

The Digital and eHealth financial plan 2022/23 sets out the revenue and capital budgets for the year. Funding is fully confirmed for 2022/23, including the eHealth Strategy, and future funding will be confirmed by SG.

A draft of the new NHS Forth Valley Digital Health and Care Strategy was submitted to the 6 September 2022 Digital and eHealth Programme Board. Engagement work has been undertaken and the Strategy is expected to be finalised in line with the timing for the NHS Board's Healthcare Strategy which is currently planned to go to the NHS Board in May 2023. The finance section of the report did not overtly discuss affordability but one of the key principles was 'Solutions delivering measurable improvement are affordable, implementable, secure and compliant with the strategic approach'.

The Strategy cover paper stated that the new Digital Health and Care Strategy will be developed to support NHS Forth Valley's emerging new Healthcare Strategy, and Scottish Governments new digital health and care strategy. The approval route for the new Strategy is currently under consideration, including presentation to the NHS Board. High level financial information on Digital & eHealth is reported through the finance report presented to the NHS Board and P&RC and eHealth is included in the Capital Plan. In response to a recommendation from our 2021/22 Annual Report, the Deputy Director of Finance is progressing action to address a previous internal audit recommendation on provision of assurance on affordability of the Digital Health and Care Strategy. The Corporate Risk Manager is working with management to ensure that Digital & eHealth

affordability is reflected within the Financial Sustainability risk, due for update by the end of December 2022.





The final Digital & eHealth Delivery Plan for the previous Digital Health and Care Strategy was approved by the Infrastructure Programme Board in March 2022 with updates presented to each P&RC. Assurance was provided to the P&RC on 25 October 2022 that 30 of 31 projects were on track to be delivered within the overall project milestones. The quarter 3 interim report to the 30 November 2022 Digital and eHealth Programme Board noted that delivery on one item remained as a red risk and a national programme to replace the Child Health System had moved from green to amber.




Digital and eHealth are essential enablers for delivery of the NHS Forth Valley's overall strategy and of its IJB partners and will be key to the transformation required to deliver sustainable services. Whilst there will be enormous pressure on costs in the short term, longer term sustainability will be dependent on ensuring that the organisation has the capacity to design, implement and maintain eHealth solutions to support redesign.


FINAL REPORT



Assessment of Risk



To assist management in assessing each audit finding and recommendation, we have assessed the risk of each of the weaknesses identified and categorised each finding according to the following criteria:



Fundamental		Non Compliance with key controls or evidence of material loss or error. Action is imperative to ensure that the objectives for the area under review are met.	None
Significant		Weaknesses in design or implementation of key controls i.e. those which individually reduce the risk scores. Requires action to avoid exposure to significant risks to achieving the objectives for area under review.	Five
Moderate		Weaknesses in design or implementation of controls which contribute to risk mitigation. Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.	Four
Merits attention		There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.	Two



Follow up of A06/23 - Annual Report 2021/22		
Original recommendation	Progress	Status
Action point 1 - Sustainability		
<p>Recommendation</p> <p>The NHS Board and ELT should ensure that financial sustainability is given appropriate priority in all decisions, recognising that money spent now will not be available for future needs.</p> <p>The Strategic planning process must give suitable priority to financial (and indeed workforce) sustainability. If this is not addressed then the assessment of risk is significant.</p> <p>Director of Finance</p> <p>August 2022</p>	<p>Progress</p> <p>Cost Improvement Oversight Group established and work is underway to develop a medium term cost improvement programme. This has included a series of engagement sessions with Directors and regular updates to the P&RC, ELT and CMT. Review of financial controls and templates will be undertaken in the second half of the financial year.</p> <p>Revised date: March 2023</p>	
Action point 2 - Flow of Assurances		
<p>Recommendation</p> <p>The process to ensure all issues from external reports are included in committee agendas and annual reports should be strengthened. At agenda planning meetings all relevant, significant external reports should be considered for inclusion on the agenda and, if presented to the committee.</p> <p>Chief Executive and Lead Officers for Assurance Committees</p> <p>April 2023</p>	<p>Progress</p> <p>Not yet due and In progress.</p>	
Action point 3 – Integration		
<p>Recommendation</p> <p>NHS Forth Valley should request that the two IJBs present a high level progress report to the NHS Board, at least twice annually. This report should provide an update on progress with MSG</p>	<p>Progress</p> <p>On 29 November 2022 the Chief Executive provided the NHS Board with an update on the Integration Improvement Action Plan. Annual 2021/22 performance reports from the IJBs were presented to the NHS Board</p>	


<p>recommendations, progress with the review and agreement of the Integration Schemes, and should summarise any relevant issues from the IJBs.</p> <p>Head of Policy & Performance November 2022</p>	<p>on 29 November 2022. IJB minutes have not been provided to the NHS Board throughout the year to date.</p> <p>Action has been discussed with Head of Policy and Performance and example IJB progress reports shared. Reporting to be progressed by year end.</p> <p>Revised date: March 2023</p>	
<p>Action point 4 - Clinical Governance Assurances</p>		
<p>Recommendation</p> <p>To ensure the CGC fulfils its remit in respect of clinical risk management, systems assurance and Public Health governance, we recommend the following assurances are provided to the Committee:</p> <ul style="list-style-type: none"> • Consideration should be given to bifurcating the Scheduled and Unscheduled Care risks. • The CGC should receive updates on Public Health Performance. • There should be increased scrutiny of stage 2 complaints resolved within the required timescales. • The CGC should have been provided with a standalone report on the clinical governance aspects of the HSE review. <p>Medical Director Head of Clinical Governance Head of Policy and Performance Director of Public Health December 2022</p>	<p>Progress</p> <p>There has been a comprehensive review of the Unscheduled Care risk 002 to improve the risk mitigation in place.</p> <ul style="list-style-type: none"> • The Scheduled Care has been reviewed ahead of Clinical Governance Working Group meetings and Clinical Governance Committees. However, it has not been given a comprehensive assurance deep dive yet. A schedule of deep dives is planned for 23/24, with Scheduled Care will be proposed for the May Clinical Governance Committee. • Following consideration, it was agreed that bifurcating the risk would lead to duplication of effort and confusion. Ways to provide assurance to the CGC without bifurcating the risk are being progressed, including providing members with copies of the risk presentation and appendices reported to P&RC. • There has not been any assurance reporting to the CGC from the HSCPs and Public Health, nor any in depth reporting on stage 2 complaints. This will be progressed. <p>While there was no process for reporting on the HSE report, a Short Life Working Group Chaired by the Medical Director has taken forward learning from the group. This action is superseded by commentary in this</p>	


	report on assurances reporting following external reviews. Revised date – June 2023	
Action point 6 - Draft Workforce Plan 2022-25		
<p>Recommendation</p> <p>The draft Workforce Plan 2022-25 should be considered by the SGC and the NHS Board as soon as it is available.</p> <p>Quarterly workforce action plan reporting to be included within the SGC work plan to ensure measurement against agreed actions.</p> <p>Director of HR July 2022</p>	<p>Progress</p> <p>Workforce Plan agreed by the NHS Board and published is on the NHS Forth Valley webpage. Approval route was not as expected and this is referenced in the staff governance section of this report.</p> <p>Quarterly monitoring is included in the SSGC Assurance work plan but has not been implemented yet.</p> <p>Date extended to March 2023 (to evidence monitoring)</p>	
Action point 9 - Affordability of Digital & eHealth Delivery Plan		
<p>Recommendation</p> <p>As the Digital & eHealth Strategy is a key enabler for delivery of the Healthcare Strategy, consideration should be given to whether affordability of the Digital and eHealth Delivery Plan should be recognised within the strategic risk profile, for example within the existing financial sustainability risk.</p> <p>Director of Finance and Director of Facilities and Infrastructure August 2022</p>	<p>Progress</p> <p>The Deputy Director of Finance met with the Corporate Risk Manager on 11 December 2022 to discuss how best to ensure this is reflected within the existing Financial Sustainability risk in the NHS Board's strategic risk register. The Digital Strategy is currently being refreshed for 2023-26 and an accompanying financial strategy will be developed as part of this work.</p> <p>Revised date: December 2022 January 2023</p>	

Progress with Action points from the A08/22 - 2021/22 ICE Report, A06/22 - 2020/21 Annual Report and A08/21 – 2020/21 ICE report.		
Original recommendation	Progress	Status
Sustainability & Transformation		
A08/21 - ICE 2020/21 Recommendation 1		
<p>We recommended a review of the Healthcare Strategy (originally due by September 2021) to ensure NHS Forth Valley can effectively deliver services in the longer term, as well as in the shorter term, through remobilisation and the Annual Delivery Plan.</p> <p>Chief Executive April 2022</p>	<p>Progress at November 2022 - On 29 November 2022 the Chief Executive updated the NHS Board on progress with the refresh of the NHS Forth Valley Healthcare Strategy and the revised timeline for completion of May 2023. This reflected progress with refreshing the current healthcare strategy, but reported that due to significant operational pressures the timeframe for the refresh had been delayed.</p> <p>Extended date: May 2023.</p>	
Governance		
A08/21 - ICE 2020/21 Recommendation 3		
<p>To improve assurance mechanisms, with a focus on key risks, through adoption of assurance principles and implementation of revised documentation and accompanying guidance.</p> <p>Chief Executive August 2021</p>	<p>The new template and guidance were circulated on 29 September 2022 and following initial feedback from the Chair of the P&RC, the CIA and RAM met with the Head of Policy and Performance and the Director of Finance on 4 November 2022 to further discuss the roll out of assurance levels in NHS Board Committee papers. Initial roll out still to be assessed. There is still variance in use of forward planners and they are not in use for the A&RC and CGC.</p> <p>Improvement in year end reports and further recommendations made in the 2022/23 ICE report</p> <ul style="list-style-type: none"> • Audit & Risk Committee now has oversight of risk management • Formal process for IJB assurances still in progress • Register of Interests updated <p>Ongoing and date extended to March 2023.</p>	




Risk Management		
A08/21 - ICE 2020/21 Recommendation 4		
<p>To assist assurance committees in understanding all key aspects of strategic risks aligned to them through improved assurance reporting by risk owners, with a focus on key controls, mitigation and performance. Recommended deep dives would, for example, ensure the Clinical Governance Committee (CGC) is sighted on the clinical governance elements of the risk associated with deferred treatment.</p> <p>Chief Executive August 2021</p>	<p>Significant progress ongoing but not yet evident in reporting to Standing Committees. Programme of Deep dives delayed but now in progress.</p> <p>Ongoing. Extended date of 31 March 2023.</p>	
Performance Management		
A08/22 - ICE 2021/22 Recommendation 1		
<p>To improve assurance reporting on NHS Forth Valley performance against key national, local and Remobilisation targets, and to provide assurance on necessary improvement actions.</p> <p>Performance Reports to provide assurance on accuracy of the narrative and scores for related strategic risks as well as the adequacy and effectiveness of key controls.</p> <p>Chief Executive April 2022</p>	<p>The Recovery & Performance Scorecard has been updated and continues to evolve. Work continues to develop performance information within Pentana to support Directorate and Health and Social Care Partnership (HSCP) reviews.</p> <p>New reporting template introduced and to first used in October 2022. The assurance level is being further refined and will be reviewed by ELT in January 2023. Risk section of papers requires further enhancement.</p> <p>Extended date of 31 March 2023.</p>	
A06/22 - Annual Report 2020/21 Recommendation 3		
<p>Reinstatement of a system of Directorate / Partnership Performance Reviews, which are already in place for finance considerations.</p> <p>Chief Executive and Head of Policy and Performance September 2021</p>	<p>Directorate Performance Review programme reinstated and pilot areas identified. To be rolled out in January 2023</p> <p>Extended date of 31 March 2023.</p>	

Scheduled Care risk		
A08/22 - ICE 2021/22 Recommendation 4		
<p>Full review of the Scheduled Care risk to fully capture the impact of cessation of treatment/diagnosis on patients, and the risk to the NHS Board that failure to prioritise effectively and plan for the impending changes to case-mix and population need could cause additional, preventable, death and harm.</p> <p>Medical Director and Head of Clinical Governance</p> <p>March 2022</p>	<p>As per update on A08/23, Action point 4. The risk is still focused on the performance aspect of waiting times.</p> <p>Extended date June 2023</p>	
Clinical Governance Improvements		
A08/22 - ICE 2021/22 Recommendation 5 and 6		
<p>To ensure escalation of whole system clinical risks, and to identify any gaps in assurance.</p> <p>Enhancement to CGC Forward Planner.</p> <p>Head of Clinical Governance</p> <p>April 2022</p>	<p>Some progress but whole system escalation and identification of gaps in assurance still to be completed. Ongoing work to develop the Clinical Framework will help develop systems.</p> <p>It is acknowledged that there are further refinements to be made here which are planned to be addressed by planned meetings following the CGWG. The meetings will give the Corporate Risk Manager and Head of Clinical Governance the opportunity to discuss risks which are explicitly or implicitly referenced within the papers and discussions taking place at Clinical Governance Working Group. Any actions or mitigations will be fed back through the clinical teams and reported at the subsequent CGWG as part of the risk agenda item. As this is a new process, it will be reviewed with the Medical Director and a report provided to the Clinical Governance Working Group on 6 July 2022.</p> <p>Forward Planner remains in use for agenda planning but is not reviewed and monitored at each CGC meeting.</p>	

	<p>This point will be superseded by action point 2 in this ICE report.</p> <p>Now in progress. The Implementation Plan is still at draft stage and is expected to be progressed at the start of 2023/24.</p> <p>Extended date of July 2022</p>	
A08/21 - ICE 2020/21 Recommendation 5		
<p>Revision to the Clinical Governance Strategy which will sit within the Quality Strategy which is whole system, encompassing risk and assurance reporting from HSCPs and Clinical & Care Governance.</p> <p>Medical Director, supported by the Head of Clinical Governance and the Head of Efficiency, Improvement and Innovation</p> <p>April 2021</p>	<p>Strategic risks continue to be reported into the relevant assurance committees, include risks which are under the direction of the IJBs. Work continues to develop operational risk registers and identify the appropriate reporting and governance structures. Part of this will include operational risk registers which sit with HSCPs, and forums are in place with key stakeholders from the partnerships and partner organisations to facilitate holistic review of risks and identify interface risks. The action is not fully complete and discussion continues to understand the implications for the governance structures, and assurance that there are no gaps in the identification and reporting of clinical risks.</p> <p>The Medical Director will revisit Clinical and Care Governance reporting with the GP Leads, and review structures in place.</p> <p>Extended date March 2023</p>	
Staff Governance improvements		
A08/22 - ICE 2021/22 Recommendation 7		
<p>To ensure the Staff Governance Committee (SGC) has a focus on key risks and receives appropriate assurances that NHS Forth Valley has in place a sufficiently robust Workforce Strategy and plan to deliver services.</p>	<p>Workforce Plans risk still to be reviewed.</p> <p>Extended date: June 2023.</p>	

<p>Completion of a deep dive into the Workforce Plans risk.</p> <p>Director of HR</p> <p>January 2022</p>		
<p>Information Governance (IG)</p>		
<p>A08/22 - ICE 2021/22 Recommendation 11 & 12</p>		
<p>To enhance the Information Assurance report to the P&RC to provide sufficient and reliable assurance on the key aspects of IG & Security, including management of IG related incidents.</p> <p>Medical Director</p> <p>March 2022</p>	<p>Enhanced reporting is scheduled for early 2022/23, to be taken forward by the new Head of IG.</p> <p>Extended date: March 2023</p>	

Audit Follow Up RAG Status definitions

Risk Assessment	Definition
Red	 <p>Action is imperative to ensure that the objectives for the area under review are met and risks are mitigated. The issue is extremely serious and cannot be ignored.</p> <p>The stated action should be prioritised and a realistic, achievable revised action date, reflective of the importance of this issue agreed.</p>
Amber	 <p>Stated actions have not been progressed sufficiently to mitigate the identified risk. The action is strategic in nature and has been impacted by the need to prioritise recovery and redesign. Management should therefore agree a revised timescale which reflects the current environment, acknowledging that completing action to address the control issue is likely to become more challenging with the passage of time and ensuring that any necessary preparatory action to allow future implementation is identified and progressed.</p> <p>OR</p> <p>The stated action is important, but not necessarily urgent.</p> <p>OR</p> <p>As a result of changes in the control environment, an alternative action, which has an equivalent impact on risk mitigation, should be identified and a revised timescale for action agreed.</p>
Green	 <p>Good progress is being made and completion of actions will achieve objectives and mitigate identified risks.</p> <p>OR</p> <p>The stated action merits attention and must be completed, but is not considered to be a significant priority in the current environment and a revised timescale for action should be agreed.</p>